Foresight Group Holdings Limited – FY26 Results Presentation

Bernard Fairman (Executive Chairman and Co-founder):
Today, Gary and I will take you through Foresight's FY26 financial results, which describe our delivery of double-digit percentage growth year-on-year across core EBITDA, pre-SBP, EPS, and DPS.

Since IPO in 2021, core profitability has now nearly tripled, supporting dividends that have already paid out a cumulative total of over $100 million to shareholders over the last 5 years. During and post FY26, we've also sought to streamline the business through the agreed sale of our public markets division, Foresight Capital Management, which we announced to the market earlier this month. Going forward, Foresight will focus on private markets, leveraging our competitive advantages to deploy long duration capital across our core real assets and private equity divisions.

I'll now pass to Gary to take you through operational highlights and financial results.

Gary Fraser (CEO):
As I mark my first full year as CEO, I want to be clear about how I see Foresight today. We are a specialist private markets investment manager with a strong platform, attractive market positions and a business model capable of delivering profitable growth.

My priorities are deliberately practical. First, growth and distribution - extending our retail and institutional fundraising capability in areas where we have competitive advantages and where the market opportunity is clear.

Second, investing beyond the capital we manage - maintaining discipline across origination, ownership, stewardship and exit, so that we continue to earn the trust of clients and create value through the full investment lifecycle.

Third, operational maturity - scaling the business through a clearer operating model, product focus, stronger leadership depth and better technology. This is about building a platform that can grow without adding unnecessary complexity.

Fourth, operating leverage - converting AUM growth into margin expansion, cash generation and returns for shareholders. That requires growth, but it also requires discipline on cost, capital allocation and execution.

Following the agreed sale of Foresight Capital Management, Foresight is more clearly focused on specialist private markets. We manage £13.0 billion of AUM across Real Assets and Private Equity, with exposure to institutional and retail investors and effectively all of our AUM in long-duration capital. That matters because it gives the business visibility. Our capital base is diversified across investor channels, real asset themes and private equity strategies, and that diversification reduces reliance on any single product, fundraise or market. The Group now has a sharper focus: a specialist platform built around areas where we have deep capability, market relevance and a credible path to scale.

The market opportunity across our two divisions remains substantial. We are focused on specific areas where long-term demand, investor need and our capabilities overlap. In Real Assets, energy security, decarbonisation, grid investment and lower clean-technology costs continue to support investment demand. The presentation references $296 billion of European clean-energy supply investment made in 2025, which illustrates the scale of the market we are addressing. Our fundraising priorities align to those trends - including FEIP II in European energy, ARIF in Australian renewables and our natural capital strategy. In

Private Equity, the opportunity is different but equally clear. The UK and Ireland SME funding gap remains a structural issue. Our regional model gives us local origination, active ownership and a strong basis for supporting growth companies outside the most crowded parts of the market. We are currently addressing that opportunity through 16 active institutional regional funds and our specialist retail products, including business relief and flagship VCTs. The common thread is our specialist capabilities applied to long-term markets where capital demand is real and where Foresight has a reason to win.

Fundraising in FY26 showed the value of having both institutional and retail routes to market. Retail was a clear strength. We raised £630 million across business relief products and flagship VCTs, and retained our number one position in annual unquoted business relief fundraising. That performance reflects adviser relationships, product relevance and our investment track record. Institutional fundraising is progressing, but we are also realistic that the market remains selective and timing can be uneven. FEIP II has raised €595 million to date against a €1.25 billion target, and our regional Private Equity business launched its 16th active fund with a £92 million first close. The conclusion is that our fundraising platform is working, but execution remains critical. We need to convert pipeline, deepen investor relationships and maintain investment discipline as we scale.

We continue to take a disciplined approach to deployment across both divisions to deliver strong investment performance. In Real Assets, deployment increased by 96% year-on-year, supported by progress in FEIP II and by a strong pipeline. Around 85% of FY26 Real Assets deployment was into energy transition, and looking ahead we have more than £3.6 billion of future deployment rights in international real assets. In Private Equity, deployment remained steady and aligned with our fundraising cadence, with £1 billion now deployed over the last five years. Our regional presence continues to be an important differentiator in sourcing and supporting businesses. We are deploying behind strategies where we understand the market, where our teams have experience and where we believe the risk-adjusted opportunity is attractive.

Turning to realisations, Australia is a useful example of the strength of our track record against an evolving market backdrop. We have seen redemption pressure in parts of the Australian LP market. Our response is a planned realisation programme over at least three years, designed to meet those redemptions while protecting value and, where possible, retaining future exposure through separately managed accounts and continuation structures. The partial sale of Kinetic is a good example. It allowed us to crystallise performance, generate performance fees and retain a 30% stake for future upside. These are the moments where investment discipline matters. We need to realise value when appropriate, manage investor liquidity requirements responsibly and preserve exposure to assets where we still see long-term value. The underlying Australian energy transition opportunity remains strong. The country has an ageing coal fleet and a 2030 target of 82% on-grid renewable electricity generation, with this figure at 43% today. That supports the long-term relevance of our platform in this market.

Turning to our financial highlights, FY26 has been another year of strong and consistent performance. Overall, these results reflect profitable growth, a high-quality earnings profile, and a business that continues to scale effectively.

AUM from continuing operations increased by 8% over the year to £13.0 billion. That growth was driven primarily by record retail inflows and continued institutional progress, partly offset by realisations in Australia. The retail result is a clear highlight, with £630 million of gross inflows across business relief products and flagship VCTs. Institutional fundraising included steady progress on FEIP II and the launch of a regional Private Equity fund. Exits were largely driven by Australian realisations. These reduced AUM where assets were sold, but also generated performance fees and demonstrated the value created in those strategies. Foreign exchange was also a positive contributor, recovering part of the historical FX reduction since the acquisition of our Australian business. The message is balanced. AUM growth was solid, the retail

platform performed strongly, institutional capital formation continues to progress, and we managed realisations in a disciplined way.

Revenue increased by 11%, supported by net fundraising of £646 million and higher year-on-year performance fees from Real Assets realisations. Core administrative costs increased by 8%. That reflects wage inflation, fundraising-linked compensation, selective headcount growth and continued investment in IT infrastructure. We are investing where it supports scale, but we remain focused on cost discipline.
As a result, core EBITDA pre-share based payments increased by 10%. The result demonstrates the operating strength of the business and the benefit of a more focused Group structure following the agreed sale of FCM. The financial profile remains underpinned by high-quality earnings and a significant recurring revenue base.

Looking more closely at revenue, the business continues to benefit from a substantial recurring revenue base. Total revenue increased by 11%. Recurring revenue increased by 6%, supported by FUM growth, and performance fees more than doubled, largely because of stronger Real Assets realisations in Australia. Recurring revenue represented 82% of total revenue in FY26. Whilst this is below our target range of 85% to 90%, this was because performance fees were higher, not because the recurring revenue base weakened. We continue to target 85% to 90% recurring revenue over time, and the recurring base is supported by effectively all of our AUM being long-duration capital. That gives us visibility, but we also expect performance fees to become more important in years when mature funds realise value.
So the revenue model remains resilient, with recurring revenues at its core and upside from disciplined realisations.

On costs, we have continued to invest in the business while keeping growth in core costs to single digits. Core costs increased by 8% in FY26. Staff costs remain the largest component of the cost base, representing more than 70% of operating expenses, and increased in line with wage inflation, fundraising-linked compensation and selective headcount growth. Other administrative costs increased by 9%, reflecting inflation and continued investment in IT infrastructure. We are investing where it improves scale, productivity, decision-making and resilience. At the same time, we expect the platform to show operating leverage as AUM and revenue grow. Cost discipline remains key to delivery of our FY29 guidance.

Core EBITDA pre-share based payments is the clearest measure of the operating performance of the continuing Group. In FY26, it increased by 10% to £68.6 million. Over five years, it has delivered a 24% compound annual growth rate on a continuing operations basis. The margin remained strong at around 42%. That reflects the quality of the revenue base, the contribution from performance fees and continued cost control. Looking ahead, our focus is to grow the platform in a way that expands margin rather than simply adding scale.

For shareholders, the result translated into growth in earnings and dividends. Adjusted earnings per share increased by 13% and we have announced a final dividend of 19 pence per share, bringing total dividend per share to 27.1 pence, a 12% increase and consistent with our approach of paying out 60% of adjusted profit. This adds to our strong EPS and DPS track record and reflects the Board's confidence in the cash generation of the business, while preserving flexibility to invest in growth and strategic opportunities.

Capital allocation remains a core part of how we create value for shareholders. Alongside the FY26 dividend, we also repurchased a net £9.6 million of shares as part of our buyback programme. The agreed sale of FCM is also strategically important. It simplifies the Group and allows management to focus capital, people and leadership attention on the private markets strategies where we see the strongest long-term opportunity.

We remain open to targeted M&A and corporate activity where it accelerates growth, strengthens capability or improves access to capital and distribution. But our approach will remain disciplined. Our priority is clear, balance returns to shareholders with investment in the next phase of profitable growth.

Bernard Fairman (Executive Chairman and Co-founder):
Thank you Gary.

Turning now to guidance and outlook. Our performance in FY26 reinforces the strength of Foresight's specialist investment platform and the resilience of our earnings model. We delivered double-digit growth in core profitability, earnings per share and dividend per share, whilst continuing to invest behind the long-term opportunities most attractive for our investors and shareholders.

Our confidence in the medium-term opportunity is underpinned by four clear growth drivers. First, we continue to see significant demand for energy transition-focused strategies. FEIP II is our flagship European energy infrastructure strategy, with a target fund size of €1.25 billion, and ARIF provides exposure to attractive renewable infrastructure opportunities in Australia. The strategic imperative for energy security, decarbonisation and enabling infrastructure remains strong, and Foresight is well positioned to convert that demand into long-duration capital. Second, our specialist retail platform remains a distinctive strength. We are targeting more than £600 million of annual fundraising across tax-efficient products, supported by our distribution capability, investment track record and leading position in the unquoted business relief market. Whilst we remain alert to regulatory developments, demand for private market access, tax efficiency and investment into UK growth companies remains robust. Third, in institutional regional private equity, we are targeting approximately £100 million of annual fundraising. The launch of our 16th active regional fund demonstrates the depth of our origination platform and continued ability to support ambitious SMEs across the UK and Ireland. Fourth, we expect margin expansion over the guidance period. The agreed sale of Foresight Capital Management streamlines the Group and increases our focus on our core private market Real Assets and Private Equity strategies. As we scale those higher-conviction areas, operating leverage, disciplined cost management and product mix should support continued profitable growth. Finally, FY29 is expected to be a more significant realisation year across both Real Assets and Private Equity funds. Whilst recurring revenue could therefore dip to FY26 levels as performance-related revenues increase, we continue to value and target the visibility that our typical 85–90% recurring revenue range provides.

In terms of current trading, the business has made a positive start to the new financial year. Assets under management and funds under management for continuing operations have increased to £13.1 billion and £9.2 billion respectively, reflecting continued progress across our strategies. We are also seeing encouraging developments in separately managed account opportunities, particularly in Australia as we realise existing assets. These discussions demonstrate investor appetite for tailored exposure to Foresight's specialist capabilities in energy transition, infrastructure and private equity. We will update the market as commitments are formally secured. The sale of the FCM division, announced earlier this month, is expected to complete in Q3 2026. This is an important step for the Group and sharpens our focus on private market Real Assets and Private Equity.

Overall, Foresight enters FY27 with a streamlined structure, focused leadership priorities, strong positions in attractive private market segments and a clear route to profitable growth. We remain mindful of the external environment, particularly institutional fundraising timing, but the long-term demand drivers remain compelling. We are confident in our ability to deliver against our medium-term ambitions and create sustainable value for shareholders. That confidence is grounded in delivery. Over the last five years, Foresight has built a strong track record through significant macroeconomic, market and regulatory change. Over that period, AUM increased by 1.8x, recurring revenue by 2.4x and profitability tripled, reflecting the strength of our specialist platform, investor relationships and exposure to attractive growth markets.

Importantly, this was disciplined growth, focused on high-quality recurring revenues, deeper specialist capability and the entrepreneurial culture that enables differentiated origination. The business has also proved resilient, navigating higher interest rates, changing investor sentiment, evolving regulation and tougher fundraising conditions whilst continuing to grow, generate attractive margins and return capital through a compelling dividend. That track record supports the outlook we have just discussed. Our message is one of continuity and focus, delivering sustainable growth for our investors and shareholders.

Thank you and we are now happy to take your questions.

Moderator (OpenExchange):
We'll take our first question from Thomas Mills with Jefferies. Please unmute your line and ask your question.

Thomas Mills (Jefferies):
Good morning, guys, thanks for the call. I just had a few questions, please.

On fundraising, do you think there's good scope to have another record year for higher margin retail fundraising in FY27?

And could you give us a sense of your LP discussions, and what those might indicate in terms of the cadence for FEIP II fundraising this year and, over the next, 12 to 18 months?

And then on the performance fee side, you're obviously talking about a step up in FY29. How much visibility do you have already? Thanks very much.

Bernard Fairman (Executive Chairman and Co-founder):
Tom, good morning. Thank you for that question. I'll deal with the first part, and then Gary will deal with the second and third. In terms of retail fundraising, yes, we expect this year to be a record year. I think it's helped by the fact that we're now number one in the unquoted IHT fundraising market. And also we're, I think, numbers one and two in the best performing VCTs market, which means that we raise our VCT money very quickly. So I see that as being a great opportunity and one that we've really accelerated by becoming number one in the market.

Gary Fraser (CEO):
Hi Tom, it's Gary. On the second part in terms of the LP pipeline for FEIP II and timelines. So, effectively, it's a year from now remaining, so the end of June 2027. We're making progress across a number of fronts, including new LPs coming into the fund as well as converting existing FEIP I investors into FEIP II. At the minute, the 600 or so million that we've raised is a combination of both, so we're seeing new investors. There's more that we can do on both fronts that we're actively engaged in now. So, I'd say the target for the full fundraise is by this time next year. That remains the case and a lot of it will be in FY27. But it could slip into Q1 '28.

In terms of the final part of the question, in terms of performance fees, as the funds are starting to go through their realisation process, when they're fully invested, we get better visibility on the number of funds being in realisation mode. For FY29, we know the funds that are coming over the hill in terms of going through that realisation phase. So, it's reasonably easy to predict in terms of the ability to generate performance fees in that regard. So, not quite mechanical, but quite easy to forecast.

Thomas Mills (Jefferies):
That's great. Very clear. Thank you, Bernard and Gary.

Moderator (OpenExchange):
We'll take our next question from James Allen with Berenberg. Please unmute your line and go ahead.

James Allen (Berenberg):
Hey, morning, guys. Hopefully you can hear me okay. Thank you very much for a very clear presentation. Just one question for me, and it's around capital allocation. So assuming you reach your target's to double core EBITDA by FY29. And even after the current buyback program completes. You're going to be in a quite significant net cash position. What is that likely to be used for? And I guess if it's used for M&A, would that be within real assets and private equity, given the company's been more focused around those two verticals with the divestment of FCM a few weeks back?

Bernard Fairman (Executive Chairman and Co-founder):
I think, we have a policy which I'm not aware is going to change any time soon of paying out 60% by way of dividend. I see that continuing. And by the way, I think the market seems to have reacted quite well to our dividend as part of the results today. I think M&A is and was and remains a function of our rating. If we want to use shares, and I note your point about cash, if we want to use shares, we've got to get a rating that isn't half what the private market's selling at. So I'd see M&A continuing to be fairly subdued until that situation turns around. It's true that we'll then be in a better position to make £3, 5, 10, 20 million investments by way of cash but bigger deals will become much more difficult or impossible at that reverse arbitrage, as I call it. There are opportunities out there though.

James Allen (Berenberg):
Thanks very much.

Moderator (OpenExchange):
We'll take our next question from Jonas Dohlen with Deutsche Bank. Please unmute your line and ask a question.

Jonas Dohlen (Deutsche Bank):
Morning, guys. Thanks for taking my question. Just a quick one from me. And thanks for the presentation as well. On Australia, I noted the presentation refers to the three-year realisation program across DIT and EIT to meet redemptions while also targeting FUM retention through SMAs and continuation vehicles. Could you just provide some more colour on the scale of the remaining redemption program? How we should think about the balance between AUM or FUM outflows, performance fee crystallisation and retained fee paying AUM, FUM through those structures. Thank you.

Gary Fraser (CEO):
If we take DIT first, we've sold two assets out of approximately 10 so far. Those have both been exceptionally good realisations that have both generated performance fees. I think investors are keen for us to sell the assets at the right price as opposed to at any price and rush those. So the realisation program, although it's mooted to be three years, it could take longer than that to be able to do it. But, the fact is that we're generating those attractive returns. So, what you'll actually likely see is performance fees continue to be targeted, or continue to be realised, I should say, from the sales. But also, because of the longer lead time to getting those realisations and disposals at the optimum level, we're likely to see management fees for a longer period than we'd actually originally planned for. So the balance in terms of performance fees and management fees will be higher than we first thought. In terms of holding on to the assets, it's our intention, where possible, to have some sort of continuation vehicle or single managed account. We're

already making some good progress in Australia with that. Clearly, there's never any guarantees in that regard. But I'd like to think that, as a result of the continuation vehicles or single managed accounts, we can retain a significant proportion of those assets over time. And that will continue to generate management fees for a prolonged period, albeit probably at a reduced level compared to the existing funds. So I'm optimistic in terms of performance fees, management fees for longer, but also generating additional fees that we hadn't originally anticipated from continuation vehicles and single managed accounts.

Jonas Dohlen (Deutsche Bank):
Very helpful, thank you.

Moderator (OpenExchange):
There are no further questions on the webinar. I'll now hand over to Elizabeth Scorer to read out the written questions. Please go ahead.

Elizabeth Scorer (Foresight Group):
Thanks, Sophie. Yeah, we've just got a couple of questions from Dan Green. I think you have actually already answered them, in response to Tom's questions, but I'll just reiterate them, and there may be a couple of final points that you want to highlight. So, with the target to double core EBITDA by FY29, what does it mean to be on target for that in terms of fundraising, so both in FY27 and FY28? And also, can you talk a little bit about the building blocks to meet those FY29 targets, and how important performance fees are in FY28 and FY29?

Gary Fraser (CEO):
So in terms of FEIP II, we're targeting raising the $1.25 billion over the next 12 months which is very important. I can't emphasize that enough. So that's the first part of the question. The building blocks remain the same as they have done over the last couple of years. So the first one is a very strong retail fundraise, which Bernard had alluded to earlier. So £630 million done in the year just ended. We'd like to see £700 million plus this year and moving up over the next two years thereafter. So a continued strong retail fundraising. Second, more private equity vintages in the region, so we're already on Northwest Fund III. I'd like to see multiple vintages on some of our other regional jurisdictions as well, so that's the second point. FEIP II and other real asset funds, so Natural Capital I, and thereafter Natural Capital II, additional fundraising of ARIF in Australia, so that's very important. Those real assets fundraises will be very important because that's where operational gearing is driven which is the fourth point. And the fifth one, which is alluded to in the question, is performance fees. So, performance fees, we've seen the percentage of recurring annual revenue drop to about 82% as a result of a particularly strong year in FY26 for performance fees. I think we'll start to see that normalise in terms of recurring annual revenue over the next two years, FY27 and FY28. So back to about 86, 87%. But then it's particularly strong again in terms of performance fees in FY29. And therefore I'd expect to see us drop back down below 85% into this sort of low to mid 80s, 82, 83 again in the final outturn year, which implies that performance fees will be strong again in FY29.

Elizabeth Scorer (Foresight Group):
Thanks, Gary. No further written questions.

Moderator (OpenExchange):
Thank you. I'll now hand back to management for closing remarks.

Bernard Fairman (Executive Chairman and Co-founder):
Thank you very much everybody for attending and for your questions, it would appear that the market, seems to rather like what we're saying, judging by the share price, but we'll wait to see the end of the day. I hope we can get somewhere near our peers in terms of rating. As we said earlier, that makes a big difference to things like M&A. There are some attractive opportunities out there, but we're not currently, from a share price point of view, in a position to do anything about it. But things change, and we look forward to that particular thing changing.

Thank you very much for listening. We appreciate your time. We'll see some of you on the roadshow, but if not, see you in a few months. Thank you and goodbye.