

Ashmore Group

02:30 11 Sep 2020

Ashmore maintains final dividend, says emerging markets still offer good value

Ashmore Group PLC (LON:ASHM) maintained its final dividend as the emerging markets fund specialist saw its annual revenue and profits grow even as its assets under management (AUM) shrank.

The FTSE 250-listed asset manager, which had already revealed a 9% reduction in AUM for the year to June 30, 2020, recommended a final dividend of 12.1p per share, the same as last year, meaning the total payout for the year was up 2% to 16.9p per share.

Full-year profit before tax rose by 1% to £221.5m, resulting in a 3% rise in diluted earnings per share to 25.7p, from a 5% increase in adjusted net revenue to £325m.

Performance of the group's funds was impacted by the fall in markets in its third quarter, but Ashmore said its investment processes were generating "significant alpha" as markets recover.

It noted that 17% of AUM has outperformed benchmarks over three years and 74% over five years, with equities having performed well this year and net inflows delivered in every quarter, helped by the launch of a dedicated equity ESG fund in the second half.

Ashmore chief executive Mark Combs said the trends in market performance, outperformance by Ashmore's funds and a stabilisation of client flows seen towards the end of the financial year have continued over the summer months.

"However, the recovery in emerging markets asset prices still has further to go to return to levels that could be considered fair value," he told investors in the results statement, adding that volatility and uncertainty can provide significant opportunities for investors.

"In this context, the emerging markets offer notable value," he added, with superior economic growth prospects, currencies cheap versus the US dollar, bond yields significantly higher than in the developed world, while structural issues such as high debt continue to constrain growth in developed nations.

"The economic and social effects of the virus will continue for some time and the medium to long term impact remains uncertain. However, the huge diversity of emerging markets means that countries will be affected and will respond differently, thereby providing a wide range of potential return scenarios for active managers," he concluded.

Price: 433.8

Market Cap: £3.1 billion

1 Year Share Price Graph



Share Information

Code: ASHM

Listing: LSE

52 week High Low
581.5 281.8

Sector: Investments and investor services

Website: www.ashmoregroup.com

Company Synopsis:

Ashmore Investment Management Limited is one of the world's leading investment managers dedicated to emerging markets with a history of consistently outperforming the market. Ashmore focuses on a number of investment themes including dollar debt, local currency, special situations (incorporating distressed debt and private equity) corporate high yield and equity.

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