

DATA PACK 2018

Interim results

HARGREAVES
LANSDOWN

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SUMMARY INCOME STATEMENT

All figures in Emillions		H1 2018	H1 2017	FY 2017
Revenue	+17%	216.1	184.9	385.7
Commission payable	-%	(0.1)	(0.1)	(0.1)
Net revenue	+17%	216.0	184.8	385.6
Fair value gains on derivatives	+100%	1.1	-	2.2
Staff costs	+31%	(41.8)	(31.9)	(68.6)
Other Operating costs	+29%	(29.4)	(22.8)	(53.9)
FSCS costs	-%	0.3	0.3	(4.2)
Operating profit	+12%	146.2	130.5	261.1
Investment revenue*	+40%	0.7	0.5	4.7
Profit before tax	+12%	146.9	131.0	265.8
Tax	+13%	(27.9)	(24.6)	(53.8)
Profit for the financial year	+12%	119.0	106.4	212.0
Basic earnings per share (pence)	+12%	25.0	22.4	44.7
Diluted earnings per share (pence)	+12%	25.0	22.4	44.6

* Investment revenue in FY 2017 includes a £3.7m one-off gain on disposal of a holding in Euroclear plc.

GROUP NET REVENUE ANALYSIS

All figures in £millions		H1 2018	H1 2017	FY 2017
Platform fees (1)	+21%	97.8	80.6	169.3
Net renewal income (1)	-7%	2.7	2.9	6.3
Management fees (1)	+15%	15.8	13.7	28.2
HL Fund AMC (1)	+27%	33.3	26.3	56.5
Stockbroking income (2)	+14%	34.4	30.2	61.6
Interest receivable (1)	-2%	18.2	18.6	36.6
Adviser charges (2)	+16%	5.7	4.9	11.0
Funds Library (3)	+8%	4.0	3.7	7.5
Other Income (2)	+8%	4.3	4.0	8.7
Total revenue	+17%	216.1	184.9	385.7
Less commission payable		(0.1)	(0.1)	(0.1)
Total net revenue	+17%	216.0	184.8	385.6
		H1 2018	H1 2017	FY 2017
(1) Net recurring revenue	+18%	167.7	141.9	296.9
(2) Transactional revenue	+13%	44.3	39.2	81.2
(3) Other revenue	+8%	4.0	3.7	7.5
Total net revenue	+17%	216.0	184.8	385.6

NET REVENUE MARGINS

	H1 2018			H1 2017		
	Revenue £m	Ave Assets £bn	Margin %	Revenue £m	Ave Assets £bn	Margin %
Renewal income (net of loyalty bonus)	-			-		
Platform fee	97.8			80.5		
Total net revenue from funds	97.8	47.4	0.41%	80.5	38.4	0.42%
Stockbroking commission	33.1			28.0		
Management fees	9.8			8.2		
Total revenue from other stock	42.9	27.3	0.31%	36.2	21.9	0.33%
Total revenue from cash	18.2	8.4	0.43%	18.6	7.3	0.51%
HL Funds¹	33.3	9.0²	0.74%	26.3	7.0²	0.75%
	192.2	83.1	0.46%	161.6	67.6	0.48%
Other income ³	23.8			23.2		
Total revenue	216.0			184.8		

1 Annual management charge on HL Funds.

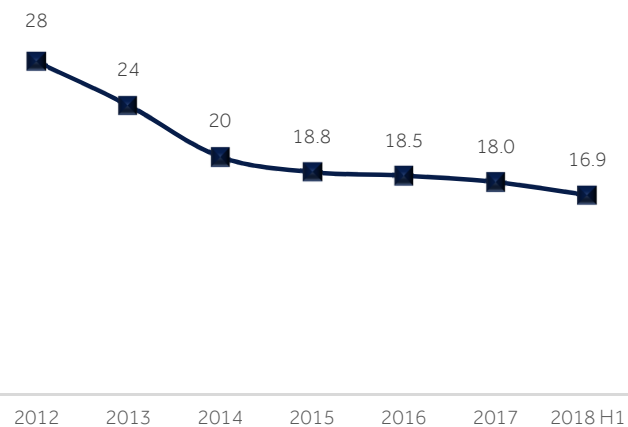
2 HL Funds AUM included in Funds AUA for platform fee and in HL Funds for annual management charge. Total average AUA excludes HL Fund AUM to avoid double counting.

3 Other income includes advisory fees, Funds Library revenues and ancillary services (e.g. annuity broking, distribution of VCTs and Hargreaves Lansdown Currency and Market Services).

COSTS

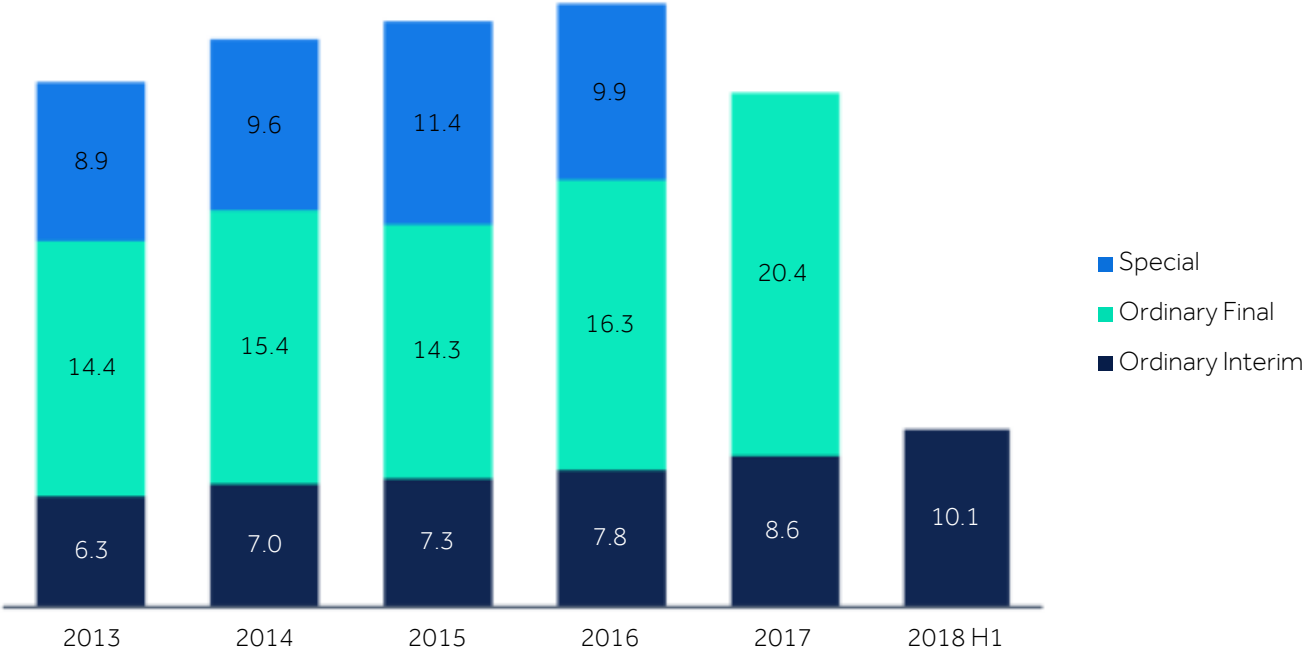
		H1 2018	H1 2017	FY 2017
Staff costs	+31%	£41.8m	£31.9m	£68.6m
Marketing and distribution spend	+19%	£6.9m	£5.8m	£14.3m
Depreciation, amortisation & financial costs	+33%	£4.4m	£3.3m	£9.0m
Office running costs	+61%	£2.9m	£1.8m	£4.2m
Other costs	+28%	£15.2m	£11.9m	£26.4
FSCS levy costs	-	(£0.3m)	(£0.3m)	£4.2m
Total operating costs	+30%	£70.9m	£54.4m	£126.7m
Ave. no of staff (FTE)	+32%	1,279	970	1,046
No of staff at end of period (FTE)	+31%	1,330	1,012	1,185

Group Cost Ratio* (bps) FY 2012 to 1H 2018



*Cost ratio is measured as operating costs, divided by average AUA

DIVIDENDS (PENCE PER SHARE)



TOTAL ASSETS UNDER ADMINISTRATION

	FY 2018 H1	FY 2017	FY 2017 H2	FY 2017 H1	FY 2016	FY 2016 H2	FY 2016 H1
	£bn	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	79.2	61.7	70.0	61.7	55.2	58.8	55.2
Underlying net new business*	3.3	6.9	4.6	2.3	6.0	3.2	2.8
Market movement & other	4.6	10.6	4.6	6.0	0.5	(0.3)	0.8
Founder transfers*	(1.0)	-	-	-	-	-	-
AUA at end of period	86.1	79.2	79.2	70.0	61.7	61.7	58.8
Net new business inflow %**	8%	11%	13%	7%	11%	11%	10%

* Underlying net new business excludes the transfer off the Vantage platform of £902 million of Hargreaves Lansdown plc shares and the withdrawal of £56 million of Hargreaves Lansdown plc placing proceeds during the period that were held by a founder.

** Half year net new business flows have been annualised.



ASSETS BY PRODUCT AND ASSET TYPE

Vantage	SIPP ³	ISA	Fund & Share ⁴	Total	H1 2017	FY 2017	Closing AUA	Vantage	PMS	Total
	£bn	£bn	£bn	£bn	£bn	£bn		£bn	£bn	£bn
AUA at start of period	25.3	30.3	20.1	75.7	58.7	58.7	Funds	45.4	3.5	48.9
Underlying net new business ¹	1.2	1.0	1.2	3.3	2.3	6.8	Shares	28.5	-	28.5
Market movement & other ²	1.1	1.3	2.0	4.4	5.7	10.1	Cash	8.6	0.1	8.7
Founder transfers ¹	-	-	(1.0)	(1.0)	-	-	Closing AUA	82.5	3.6	86.1
AUA at end of period	27.6	32.6	22.3	82.5	66.7	75.7				
Net new business inflow %**	5%	3%	6%	4%	4%	12%				
Market movement %	4%	4%	10%	6%	10%	17%				

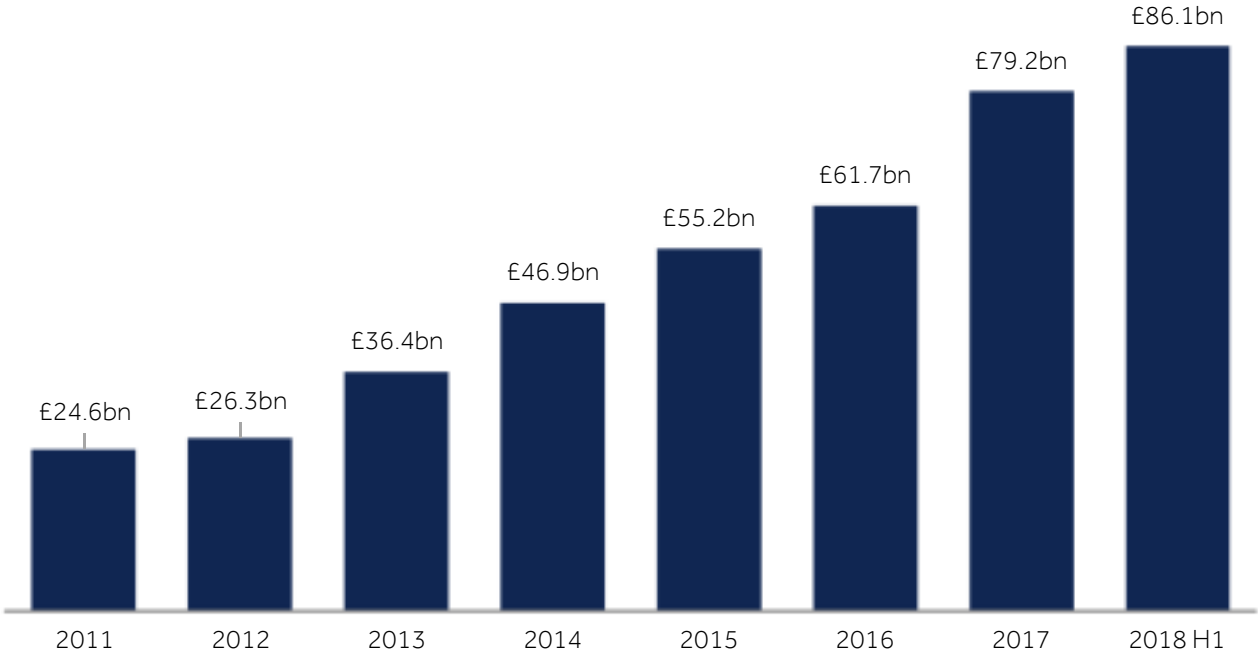
1 Underlying net new business excludes the transfer off the Vantage platform of £902 million of Hargreaves Lansdown plc shares and the withdrawal of £56 million of Hargreaves Lansdown plc placing proceeds during the period that were held by a founder.

2 Market movement includes other growth factors, such as retained investment income, totalling £424m (H1 2017: £338m, FY 2017: £734m).

3 Vantage SIPP AUA includes £6,240m income drawdown assets at 31 December 2017 (31 Dec 2016: £4,923m, 30 June 2017: £5,626m)

4 Vantage Fund & Share Account includes £3.4bn as at 31 December 2017 (31 Dec 2016: £3.2bn, 30 Jun 2017: £3.4bn) of Hargreaves Lansdown plc shares.

GROWTH IN TOTAL AUA



Total AUA FY 2011 to Dec 2017 (£ billion)





	2011	2012	2013	2014	2015	2016	2017	2018 H1
Market growth/other	+21%	+/-6%	+19%	+11%	+5%	+1%	+17%	+5%
Organic growth ¹	+20%	+13%	+19%	+18%	+13%	+11%	+11%	+4%
Total growth in AUA	+41%	+7%	+38%	+29%	+18%	+12%	+28%	+9%

¹ Organic growth based on net inflows as a % of opening AUA



CORPORATE VANTAGE

Strong growth in assets

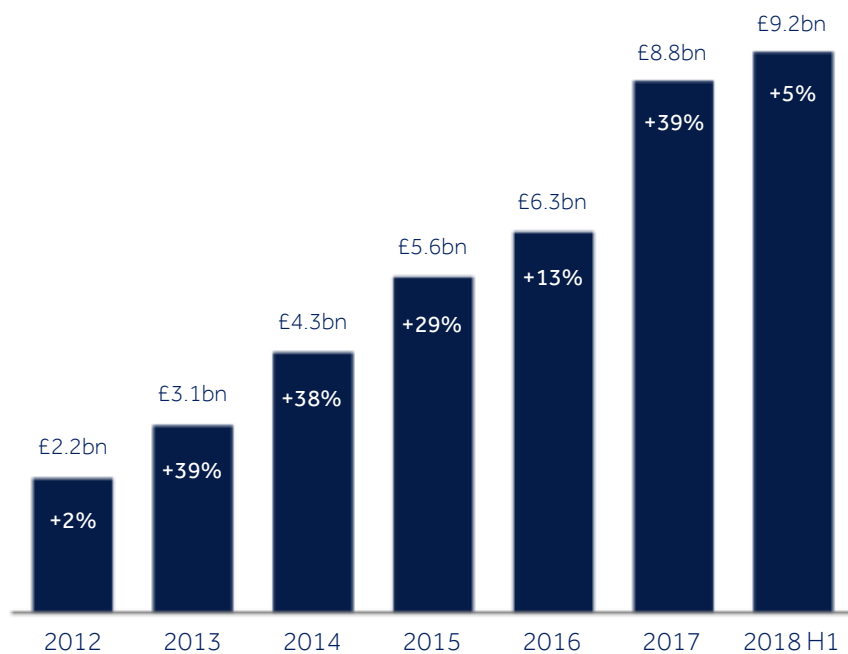
	As at 31 Dec 2017	As at 30 June 2017	% change	6 months increase in H1 2018	6 months increase in H1 2017
 Members*	92,727	82,005	+13%	10,722	6,209
 Schemes *	411	387	+6%	24	17
 Annual Premiums **	£285m	£271m	+5%	£14m	£10m
 AUA	£2,790m	£2,493m	+12%	£297m	£397m

*Numbers relate to schemes either live or contracted.

**Only includes those annual premiums already being received.

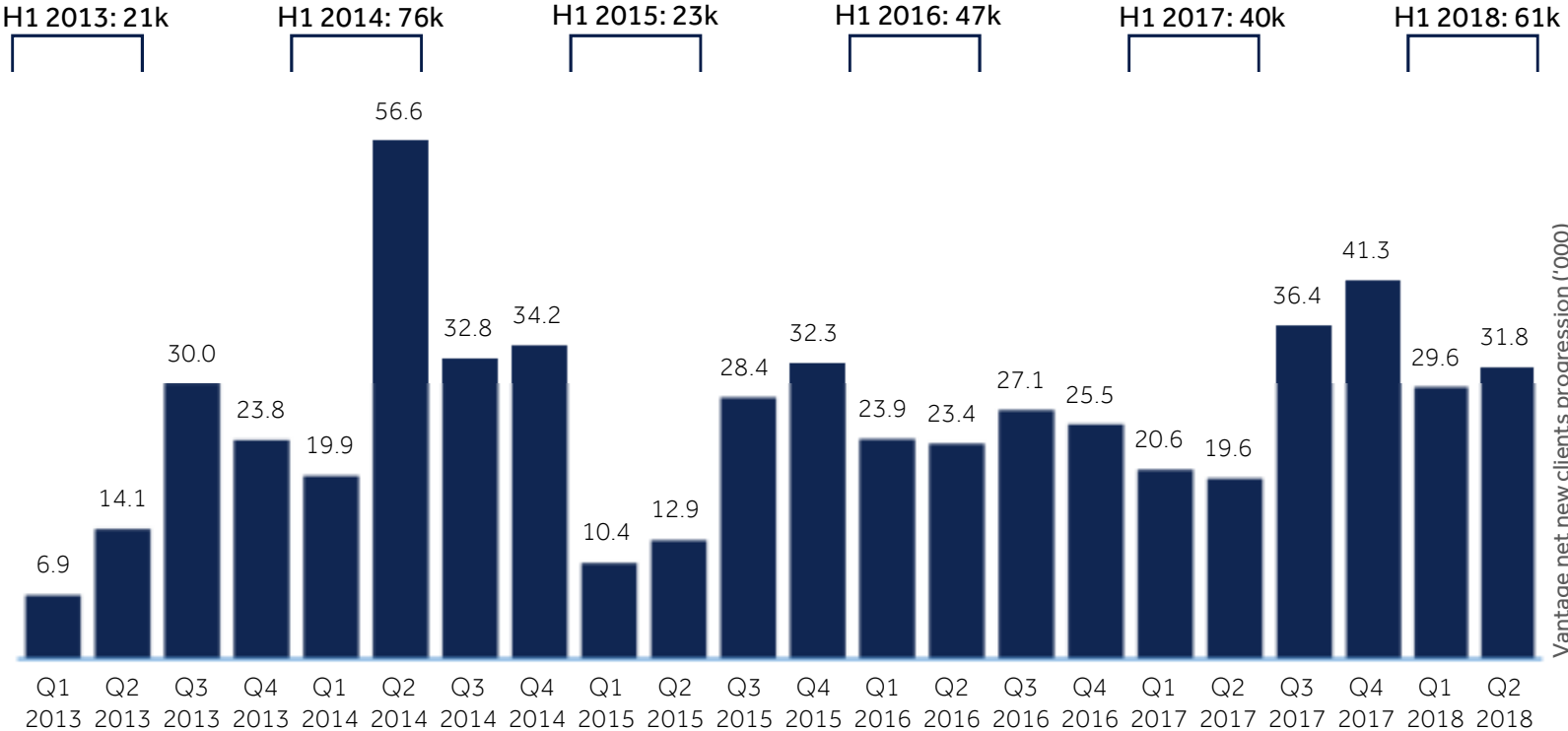
GROWTH IN HL FUNDS

HL Multi-Manager Funds – 5.5yr CAGR = 29%



HLMM Funds (£m)	Dec-17
Income & Growth	3,247
Special Situations	1,730
Balanced Managed	1,192
Strategic Bond	917
High Income	531
Equity & Bond	293
Asia & Emerging Markets	232
UK Growth	228
European	189
Strategic Assets	182
Multi-Manager Funds	8,741
HL Select UK Shares	270
HL Select UK Income Shares	236
Equity Funds	505
TOTAL	9,246

NET NEW CLIENTS

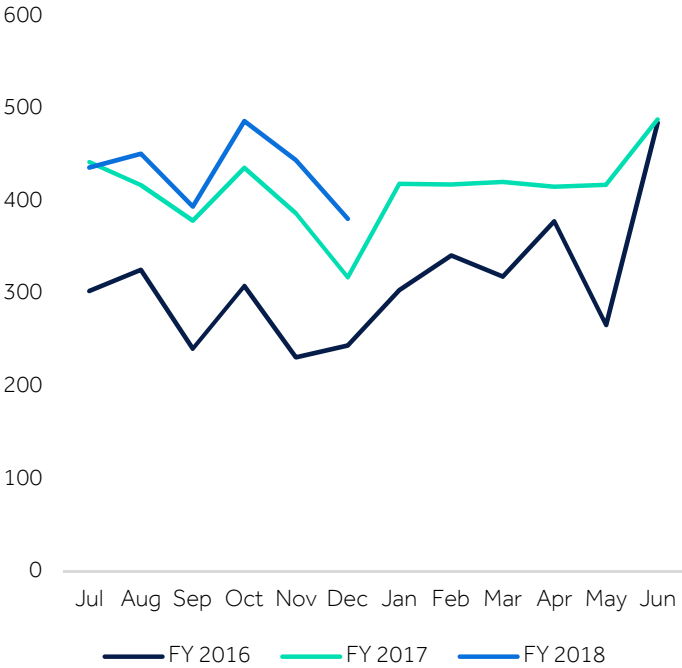


STOCKBROKING VOLUMES

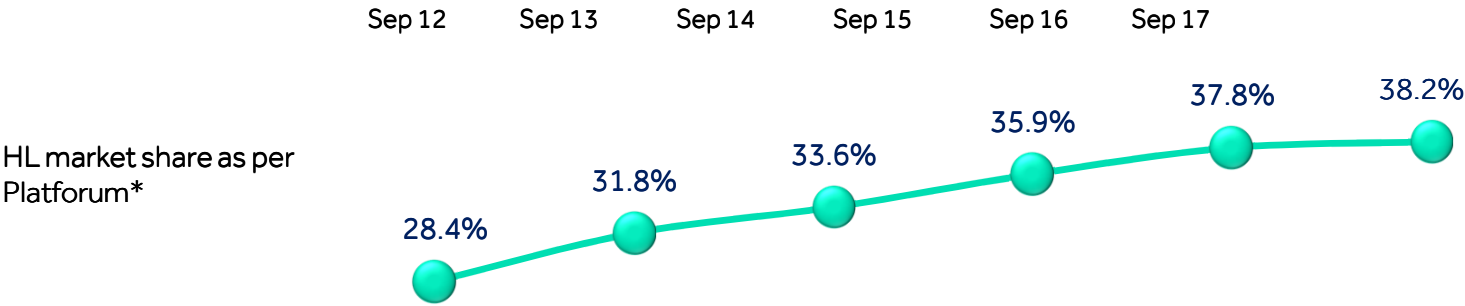
Execution-only market share



Monthly dealing volumes (£k)

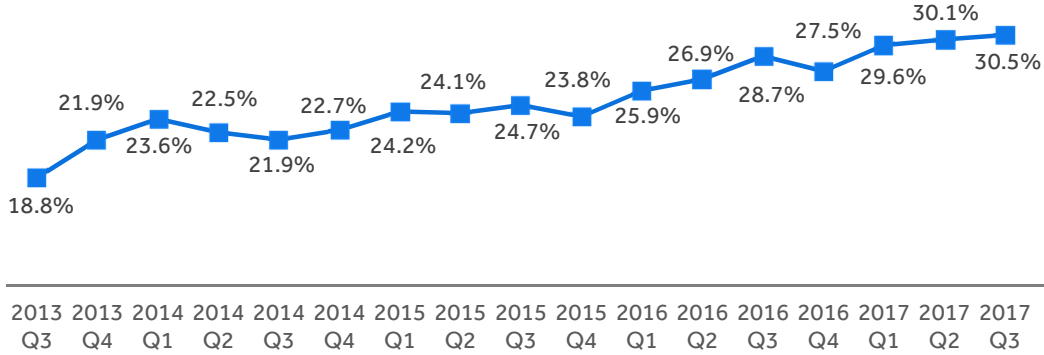


MARKET SHARE STATISTICS



* The Platform Direct Platform Guide Reports share of Assets Under Administration (February 2018)

HL UK stockbroking volumes vs XO peer group**



** Source: Compeer Quarterly Benchmarking Report – Q3 2017