

Trading update

11 October 2018

Hargreaves Lansdown plc ('the Group') today publishes a trading update in respect of the three month period to 30 September 2018 ('the period').

Highlights

- Net new business of £1.3 billion in the period
- Net new clients of 29,000
- Assets under administration ("AUA") of £94.1 billion as at 30 September 2018, up 3% since 30 June 2018
- Net revenue for the period of £120.8 million (2017: £104.1 million), up 16%

Chris Hill, Chief Executive Officer, commented:

"I'm pleased to report a solid start to our financial year for growth in clients, net new business and revenue. The past quarter has seen an uncertain market environment and weak investor sentiment resulting in an industry-wide slowdown in net retail flows. Despite this backdrop, we believe the strength of our business model positions us well for when sentiment improves."

Assets under administration and net new business

£ billion	Three months to 30 September 2018
Opening AUA	91.6
Net new business	1.3
Market movements	1.2
Closing AUA	94.1

Net new business of £1.3 billion for the period was driven by continued investment in our digital marketing presence, higher client numbers and ongoing wealth consolidation onto our platform. During the period, we also added three further banks to our cash marketplace service, Active Savings, enabling clients to manage their cash more easily at attractive rates of interest. As a result, we increased the level of marketing and promotional activity in early September and now have over £100 million managed by clients in this service. AUA rose to £94.1 billion as at 30 September 2018 due to net new business and positive market movements.

We welcomed 29,000 new clients in the period (Q1 18: 30,000), taking active client numbers to 1,120,000.

Net revenue

Net revenue for the period was £120.8 million, up 16% on last year, benefitting from higher AUA levels due to net new business and market growth.

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Forward looking statements

This announcement contains forward-looking statements with respect to the financial condition, results and business of the Group. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. The Group's actual results may differ materially from the results expressed or implied in these forward-looking statements. Nothing in this announcement should be construed as a profit forecast. This announcement is unaudited. This statement should not be seen as a promotion or solicitation to buy Hargreaves Lansdown plc shares. It should be remembered that the value of shares can fall as well as rise and therefore you could get back less than you invested.

Assets under administration

Average AUA (£billion)	3 months to 30 September 2018	2 months to 30 June 2018	4 months to 30 April 2018	3 months to 31 December 2017	3 months to 30 September 2017
Funds	52.0	50.9	48.5	48.2	46.5
Shares	32.0	30.8	28.6	27.9	26.7
Cash	9.7	9.6	9.0	8.6	8.2
HL Funds	9.6	9.6	9.1	9.1	8.8
Double count ¹	(9.5)	(9.5)	(9.0)	(9.0)	(8.7)
Total	93.8	91.4	86.2	84.8	81.5

AUA (£billion)	As at 30 September 2018	As at 30 June 2018	As at 30 April 2018	As at 31 December 2017	As at 30 September 2017
Funds	52.0	51.0	49.6	48.9	46.6
Shares	32.2	31.0	29.6	28.5	27.1
Cash	9.8	9.6	9.5	8.6	8.2
HL Funds	9.6	9.6	9.4	9.3	8.8
Double count ¹	(9.5)	(9.5)	(9.3)	(9.2)	(8.7)
Total	94.1	91.6	88.8	86.1	82.0

¹ All HL Funds are held in Vantage or the Portfolio Management Service (PMS) and are included in the Funds category of the table, with the exception of a small balance held off platform by third parties. To avoid double counting, the amount held in Vantage or PMS has been deducted.

AUA (£billion)	3 months to 30 September 2018	2 months to 30 June 2018	4 months to 30 April 2018	3 months to 31 December 2017	3 months to 30 September 2017
Opening AUA	91.6	88.8	86.1	82.0	79.2
Underlying net new business	1.3	1.0	3.3	1.8	1.5
Market movements	1.2	1.9	(0.6)	3.3	1.3
Founder transfer ¹	-	(0.1)	-	(1.0)	-
Closing AUA	94.1	91.6	88.8	86.1	82.0

¹ Underlying net new business excludes the transfer off the Vantage platform of £902 million of Hargreaves Lansdown plc shares and the withdrawal of £188 million of Hargreaves Lansdown plc placing proceeds during the period that were held by a founder.