

# Trading update

19 October 2023

Hargreaves Lansdown plc today issues a trading update in respect of its first quarter ended 30 September 2023.

## Highlights

- Net new business of £0.6 billion in the period and closing Assets under Administration (“AUA”) of £134.8 billion.
- Net new client growth of 8,000 in the period, taking us to 1,812,000 active clients, with client retention rate of 91.7%.
- Revenue for the period of £183.8 million, up 13% (Q1 2023: £162.9m).

## Dan Olley, Chief Executive Officer, commented:

“We continue to see net client growth and positive net new business despite the macroeconomic backdrop and its on-going impact on investor confidence and client behaviour.

Clients are looking to invest more in cash than risk-based investments, from our Active Savings offer, giving easy access to a range of banking partners, to Money Market Funds and short-dated bonds. Combining this with informative and relevant content provides our clients with a wide range of solutions to meet their saving and investment needs.”

## Trading performance

- Net new business of £0.6 billion in the quarter (Q1 2023: £0.7bn), reflects moderated flows being seen across the market. Active Savings continues to perform well and has been the key driver of net flows as clients favour cash savings over risk based investments.
- Net client growth of 8,000 in the quarter (Q1 2023: 17,000) primarily driven by net new clients in the SIPP and Active Savings accounts. Client retention at 91.7% (FY2023: 92.2%) and asset retention at 89.0% (FY2023: 90.4%) reflects the muted macroeconomic backdrop and the need for various cohorts of clients to make cash withdrawals.
- Share dealing volumes averaged 634,000 per month in the quarter (Q1 2023: 700,000) reflecting wider market trends.
- Client cash balances were £12.4 billion at the end of the quarter, 9.2% of total AUA, with heightened levels of cash withdrawals and an increase in movement of cash into Active Savings in July and August before stabilising in September.
- Total revenue in the quarter of £183.8 million (Q1 2023: £162.9m) with net interest margin growth more than offsetting the revenue impact of the reduction in share dealing volumes.

## Financial calendar

Our Annual General Meeting is scheduled to be held on 8 December 2023 and our interim results will be issued on 22 February 2024.

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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.*

LEI Number: 2138008ZCE93ZDSESG90

## Revenue, clients and share dealing volumes

Key metrics	3 months to 30 September 2023	3 months to 30 June 2023	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022
Revenue (£m)	183.8	197.0	188.1	187.1	162.9
Net new clients	8,000	13,000	23,000	14,000	17,000
Total active clients	1,812,000	1,804,000	1,791,000	1,768,000	1,754,000
Client Retention Rate (%)	91.7	92.0	92.0	92.6	92.2
Asset Retention Rate (%)	89.0	89.7	89.1	91.1	91.9
Share dealing volumes per month	634,000	685,000	770,000	627,000	700,000

## Assets under administration

AUA (£billion)	3 months to 30 September 2023	3 months to 30 June 2023	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022
Opening AUA	134.0	132.0	127.1	122.7	123.8
Net new business - platform	(0.1)	0.9	0.9	(0.1)	-
Net new business – Active Savings	0.7	0.8	0.7	1.0	0.7
Total net new business	0.6	1.7	1.6	0.9	0.7
Market movements and other	0.2	0.3	3.3	3.5	(1.8)
Closing AUA	134.8	134.0	132.0	127.1	122.7

Closing AUA (£billion)	As at 30 September 2023	As at 30 June 2023	As at 31 March 2023	As at 31 December 2022	As at 30 September 2022
Funds	61.9	62.2	61.6	59.6	57.4
Shares	51.9	50.8	49.8	47.1	45.2
Cash	12.4	13.1	13.5	14.1	14.8
HL Funds	8.7	8.7	8.6	8.3	7.8
Active Savings	8.5	7.8	7.0	6.3	5.3
Double count <sup>1</sup>	(8.6)	(8.6)	(8.5)	(8.3)	(7.8)
Total	134.8	134.0	132.0	127.1	122.7

Average AUA (£billion)	3 months to 30 September 2023	3 months to 30 June 2023	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022
Funds	62.6	62.1	61.8	59.2	59.8
Shares	52.2	50.4	50.1	47.3	47.5
Cash	12.5	13.4	13.6	14.3	14.8
HL Funds	8.8	8.7	8.6	8.2	8.1
Active Savings	8.3	7.5	6.8	6.0	5.1
Double count <sup>1</sup>	(8.7)	(8.6)	(8.5)	(8.1)	(8.1)
Total	135.7	133.5	132.4	126.9	127.2

<sup>1</sup>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.