

DATA PACK 2019

Interim Results

HARGREAVES
LANSDOWN

INDEX

CONTENTS

SLIDE

Financial

Summary Income statement	3
Group net revenue analysis	4
Net revenue margins	5
Costs	6
Dividends	7

AUA and volumes

Total Assets under administration	8
Assets by product and asset type	9
Vantage split by asset class	10
Vantage other information	11
Growth in total AUA	12
HL Workplace Solutions	13
Growth in HL Funds	14
Net new clients	15
Stockbroking volumes	16

Market Share

Market share statistics	17
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SUMMARY INCOME STATEMENT

ALL FIGURES IN £MILLIONS		H1 2019	H1 2018	FY 2018
Revenue	+9%	236.5	216.1	447.6
Commission payable		(0.1)	(0.1)	(0.1)
Net revenue	+9%	236.4	216.0	447.5
Fair value gains on derivatives		1.1	1.1	2.3
Staff costs	+18%	(49.5)	(41.8)	(87.4)
Other Operating costs	+20%	(35.3)	(29.4)	(67.8)
FSCS costs		(0.3)	0.3	(3.5)
Operating profit	+4%	152.4	146.2	291.1
Investment revenue and other gains	+71%	1.2	0.7	1.5
Finance costs		(0.2)		(0.2)
Profit before tax	+4%	153.4	146.9	292.4
Tax	+5%	(29.3)	(27.9)	(55.7)
Profit for the period	+4%	124.1	119.0	236.7
Basic earnings per share (pence)	+4%	26.1	25.0	49.7
Diluted earnings per share (pence)	+4%	26.1	25.0	49.6

GROUP NET REVENUE ANALYSIS

ALL FIGURES IN £MILLIONS		H1 2019	H1 2018	FY 2018
Platform fees (1)	+5%	103.1	97.8	198.0
Net renewal income (1)	-4%	2.6	2.7	5.6
Management fees (1)	+10%	10.8	9.8	20.2
HL Fund AMC (1)	+4%	34.7	33.3	67.2
Stockbroking income (2)	-5%	32.8	34.4	72.6
Interest receivable (1)	+83%	33.3	18.2	42.1
On-going adviser charges (1)	0%	5.9	5.9	11.9
Adviser charges (2)	-4%	5.5	5.7	12.1
Funds Library (3)	+8%	4.3	4.0	8.6
Other Income (2)	-19%	3.5	4.3	9.3
Total revenue	+9%	236.5	216.1	447.6
Less commission payable (1)		(0.1)	(0.1)	(0.1)
Total net revenue	+9%	236.4	216.0	447.5

		H1 2019	H1 2018	FY 2018
(1) Net recurring revenue	+12%	190.3	167.7	344.9
(2) Transactional revenue	-6%	41.8	44.3	94.0
(3) Other revenue	+8%	4.3	4.0	8.6
Total net revenue	+9%	236.4	216.0	447.5

NET REVENUE MARGINS

	H1 2019			H1 2018		
	Revenue £m	Ave Assets £bn	Margin bps	Revenue £m	Ave Assets £bn	Margin bps
Renewal income (net of loyalty bonus)	0.1			-		
Platform fee	103.1			97.8		
Total net revenue from funds	103.2	50.1	41	97.8	47.4	41
Stockbroking commission	31.3			33.1		
Management fees	10.8			9.8		
Total revenue from other stock	42.1	30.8	27	42.9	27.3	31
Total revenue from cash⁴	33.2	9.9	67	18.2	8.4	43
HL Funds¹	34.7	9.3²	74	33.3	9.0²	74
	213.2	90.8	47	192.2	83.1	46
Other income ³	23.2	0.2 ⁴		23.8	-	
Total revenue	236.4	91.0		216.0	83.1	

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.

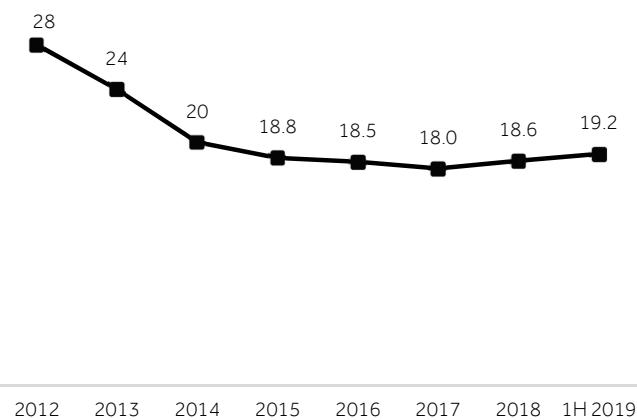
3 Other income includes advisory fees, FundsLibrary revenues, Active Savings and ancillary services (e.g. annuity broking, distribution of VCTs and Hargreaves Lansdown Currency and Market Services).

4 Average cash held via Active Savings.

COSTS

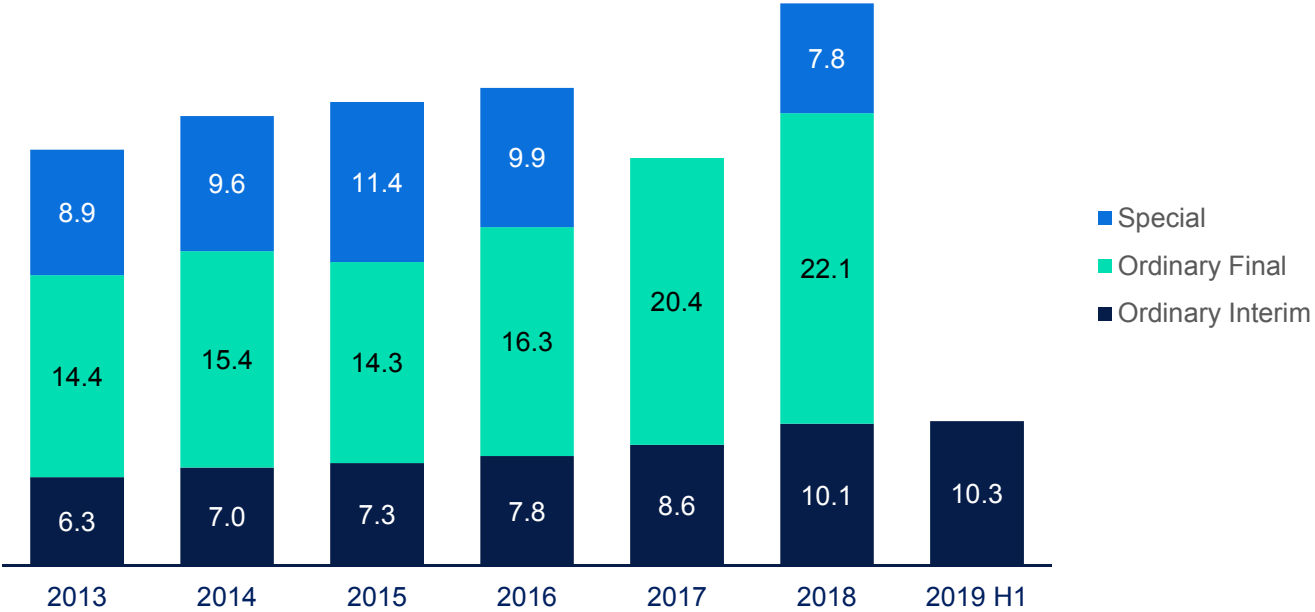
		H1 2019	H1 2018	FY 2018
Staff costs	+18%	£49.5m	£41.8m	£87.4m
Marketing and distribution spend	-13%	£6.0m	£6.9m	£16.3m
Depreciation, amortisation & financial costs	+32%	£5.8m	£4.4m	£10.3m
Other costs	+30%	£23.5m	£18.1m	£41.2m
FSCS levy costs	+200%	£0.3m	(£0.3m)	£3.5m
Total operating costs	+20%	£85.1m	£70.9m	£158.7m
Ave. no of staff (FTE)	+17%	1,534	1,310	1,398
No of staff at end of period (FTE)	+14%	1,570	1,377	1,499

Group Cost Ratio* (bps) FY 2012 to 1H 2019



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

DIVIDENDS (PENCE PER SHARE)



TOTAL ASSETS UNDER ADMINISTRATION

	FY 2019 H1	FY 2018	FY 2018 H2	FY 2018 H1	FY 2017	FY 2017 H2	FY 2017 H1
	£bn	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	91.6	79.2	86.1	79.2	61.7	70.0	61.7
Underlying net new business*	2.5	7.6	4.3	3.3	6.9	4.6	2.3
Market movement & other	(8.2)	5.9	1.4	4.6	10.6	4.6	6.0
Founder transfers*	-	(1.1)	(0.1)	(1.0)	-	-	-
AUA at end of period	85.9	91.6	91.6	86.1	79.2	79.2	70.0
Net new business inflow %**	5%	10%	10%	8%	11%	13%	7%

* Underlying net new business for FY 2018 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. These are shown as "Founder transfers" in the table above.

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



ASSETS BY PRODUCT AND ASSET TYPE

VANTAGE	SIPP ³	ISA	FUND & SHARE ⁴	TOTAL H1 2019	H1 2018	FY 2018	CLOSING AUA H1 2019	VANTAGE	ACTIVE SAVINGS	PMS	TOTAL
	£bn	£bn	£bn	£bn	£bn	£bn		£bn	£bn	£bn	£bn
AUA at start of period	29.5	35.4	23.0	87.9	75.7	75.7					
Underlying net new business ¹	1.1	0.4	0.7	2.2	3.3	7.6	Funds	43.4		3.2	46.6
Market movement & other ²	(2.4)	(3.3)	(2.2)	(7.9)	4.4	5.8	Shares	28.5		-	28.5
Founder transfers ¹	-	-	-	-	(1.0)	(1.1)	Cash	10.3	0.4	0.1	10.8
AUA at end of period	28.2	32.5	21.5	82.2	82.5	88.0	Closing AUA	82.2	0.4	3.3	85.9
Net new business inflow %	4%	1%	3%	3%	4%	10%					
Market movement %	-8%	-9%	-10%	-9%	6%	8%					

1 Underlying net new business for FY 2018 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. These are shown as "Founder transfers" in the table above

2 Market movement includes other growth factors, such as retained investment income, totalling £510m (FY 2018: £827m, H1 2017: £424m).

3 Vantage SIPP AUA includes £6,520m income drawdown assets at 31 December 2018 (30 June 2018: £6,678m, 31 December 2017: £6,240m)

4 Vantage Fund & Share Account includes £3.4bn as at 31 December 2018 (30 June 2018 £3.7bn, 31 December 2017: £3.4bn) of Hargreaves Lansdown plc shares.

VANTAGE SPLIT BY ASSET CLASS

	SIPP	ISA	F&S/Other	Total
At 31 December 2018				
Stocks and shares	24%	28%	59%	34%
Investment funds	57%	62%	33%	53%
Cash	19%	10%	8%	13%
% of Vantage	34%	40%	26%	100%
AUA (£m)	28.2	32.5	21.5	82.2
At 30 June 2018				
Stocks and shares	25%	28%	59%	35%
Investment funds	59%	63%	34%	54%
Cash	16%	9%	7%	11%
% of Vantage	34%	40%	26%	100%
AUA (£m)	29.5	35.4	23.0	88.0



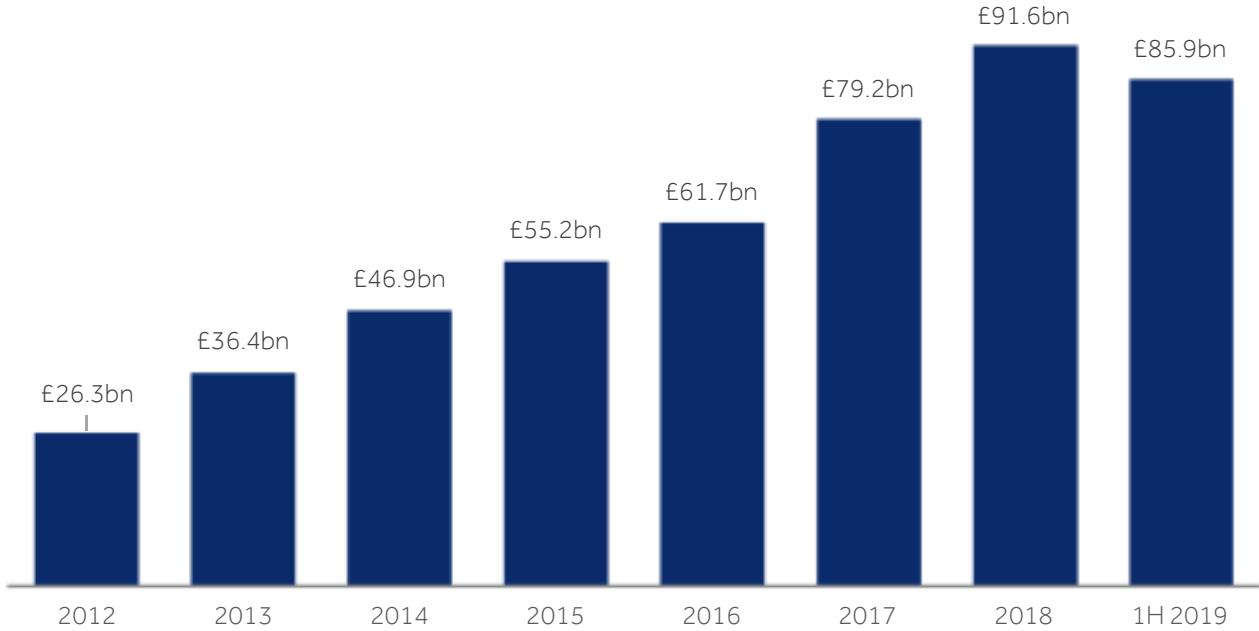
VANTAGE OTHER INFORMATION

	SIPP	ISA	F&S/Other	Total	H1 2018	FY 2018
Total No. of equity deals* ('000)	723	1,185	656	2,564	2,597	5,369
Total client share deals ('000)	603	863	538	2,004	2,099	4,414
% online (of client share deals)	99%	98%	98%	98%	98%	98%
No. of fund deals ('000)	2,405	2,957	520	5,882	5,613	11,890
Average active client value at period end (£'000)	76.4	44.2	63.8	73.0	82.0	81.3
Average age (years)	47.5	46.6	57.1	47.6	48.3	47.8
New active accounts ('000)	18	24	11	53	79	175
Total active accounts ('000)				1,503	1,355	1,450
Clients registered for online access				91%	90%	90%
Clients registered for paperless service				79%	78%	78%

* Includes 560,000 automated share deals i.e. income reinvestment, fee sales and regular savings (H1 2018 : 499,000, FY 2018 : 955,000)



GROWTH IN TOTAL AUA







Total AUA FY 2012 to Dec 2019 (£ billion)

	2012	2013	2014	2015	2016	2017	2018	1H 2019
Market growth/other	-6%	+19%	+11%	+5%	+1%	+17%	+6%	-9%
Organic growth¹	+13%	+19%	+18%	+13%	+11%	+11%	+10%	+3%
Total growth in AUA	+7%	+38%	+29%	+18%	+12%	+28%	+16%	-6%

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



HL WORKPLACE SOLUTIONS (PREVIOUSLY CORPORATE VANTAGE)

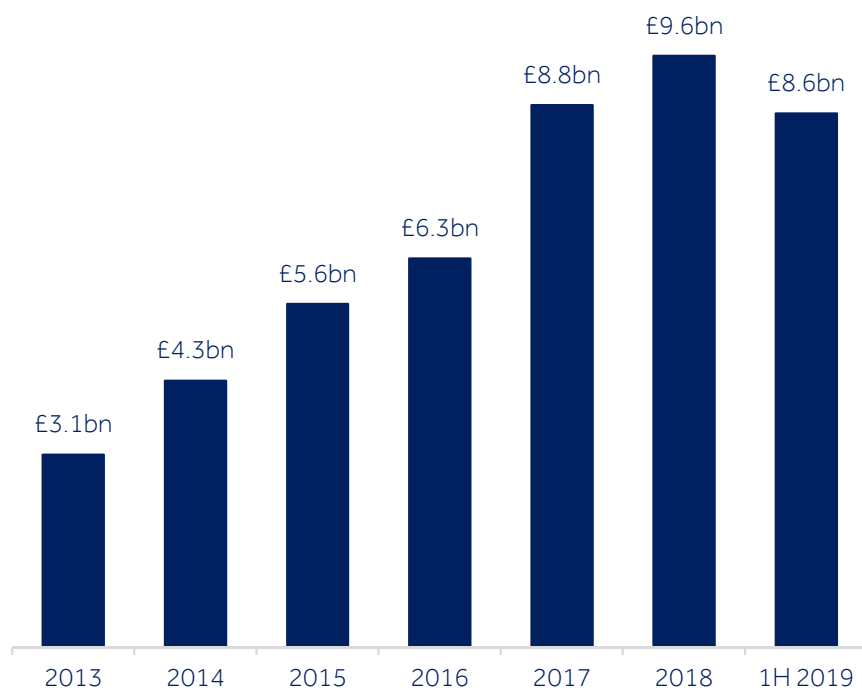
	As at 31 December 2018	As at 30 June 2018	% change	6 months increase in H1 2019	6 months increase in H1 2018
 Members*	108,228	99,809	+8%	8,419	10,722
 Schemes *	438	425	+3%	13	24
 Annual Premiums **	£344m	£314m	+10%	£30m	£14m
 AUA	£3,130m	£3,120m	+0.3%	£10m	£297m

*Numbers relate to schemes either live or contracted.

**Only includes those annual premiums already being received.

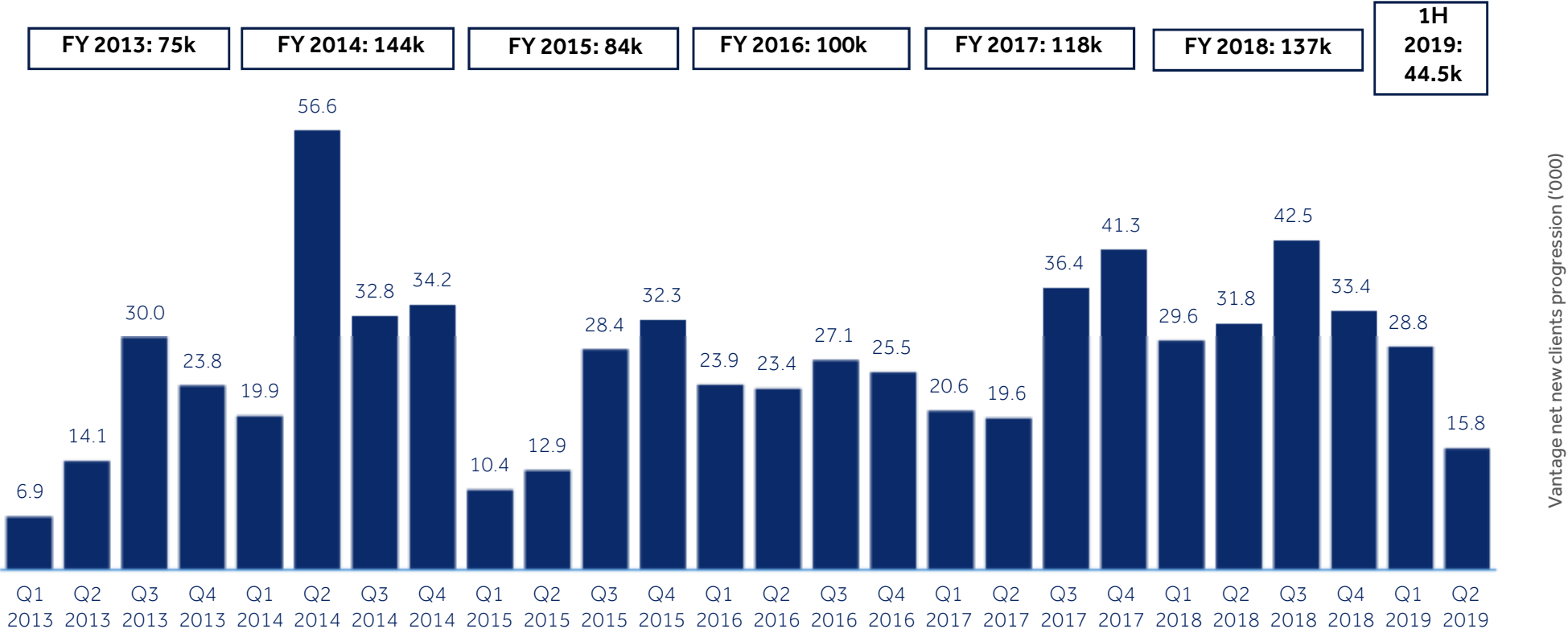
GROWTH IN HL FUNDS

HL Multi-Manager Funds – 5.5yr CAGR = 20%

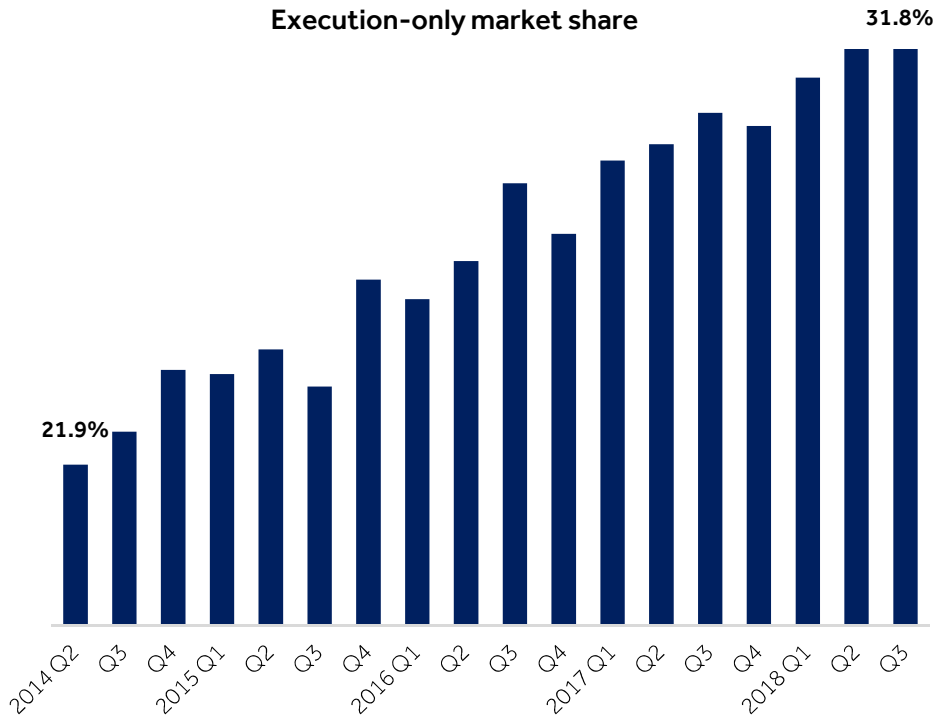


HLMM FUNDS (£m)	DEC-18
Income & Growth	2,796
Special Situations	1,672
Balanced Managed	1,140
Strategic Bond	1,024
High Income	528
Equity & Bond	288
Asia & Emerging Markets	208
UK Growth	193
European	164
Strategic Assets	190
Multi-Manager Funds	8,203
HL Select UK Growth Shares	259
HL Select UK Income Shares	174
Equity Funds	433
TOTAL	8,636

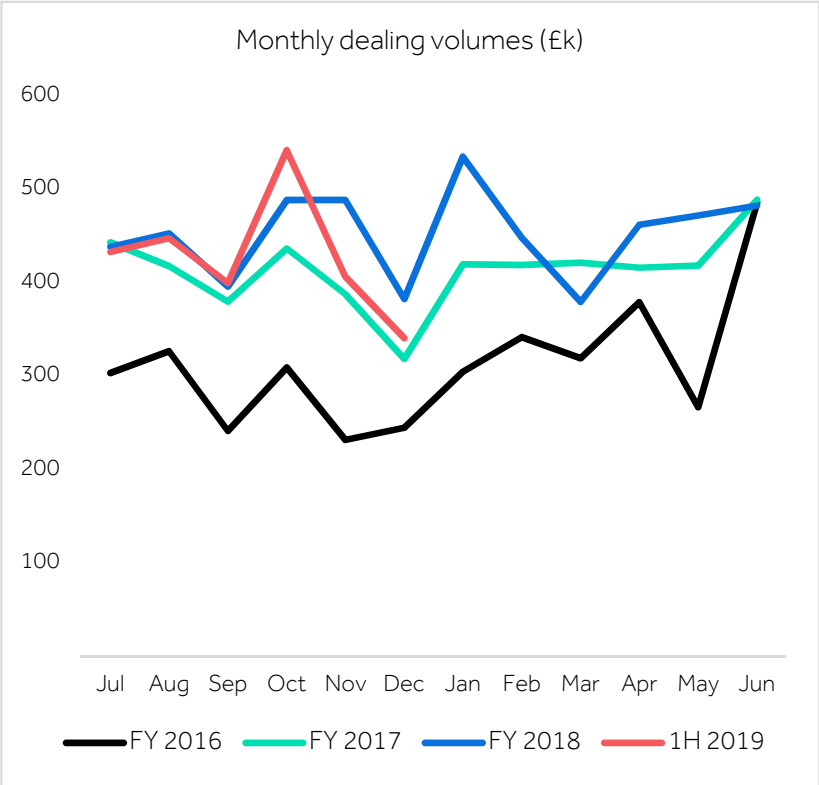
NET NEW CLIENTS



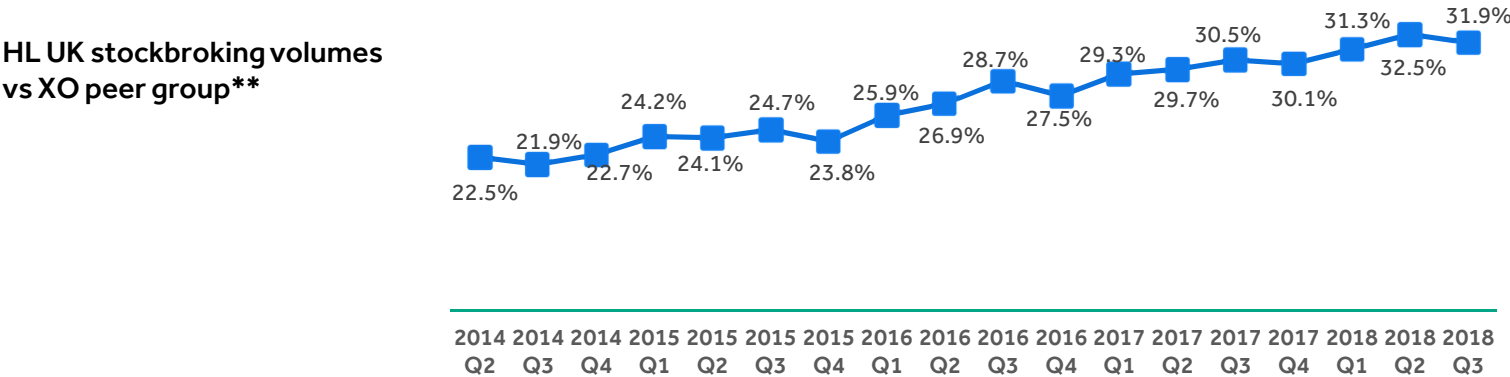
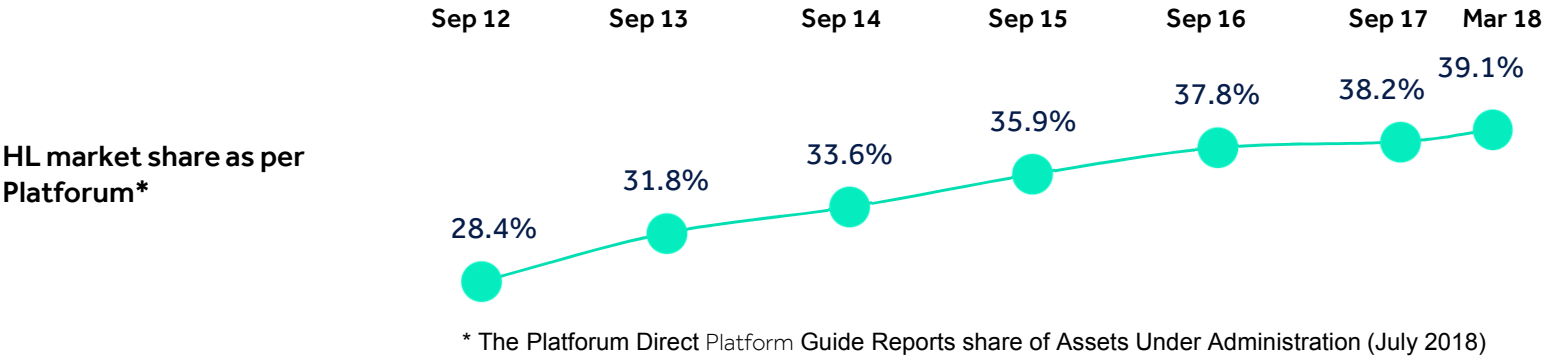
STOCKBROKING VOLUMES



Source: Compeer XO Quarterly Benchmarking Report Quarter 3 2018



MARKET SHARE STATISTICS



** Source: Compeer Quarterly Benchmarking Report – Q3 2018