

## Trading update

10 October 2019

Hargreaves Lansdown plc ('the Group') today publishes a trading update in respect of the three month period to 30 September 2019 ('the period'). The comparatives are for the period from 1 July 2018 to 30 September 2018 ("2018").

### Highlights

- Net new business of £1.7 billion in the period
- Net new clients of 35,000
- Assets under administration ("AUA") of £101.8 billion as at 30 September 2019, up 3% since 30 June 2019
- Net revenue for the period of £128.1 million (2018: £120.8 million), up 6%

### Chris Hill, Chief Executive Officer, commented:

"I'm pleased to report a solid start to our financial year for client, net new business and revenue growth. We continue to focus on our strategy of delivering excellent service, information and value during these continued uncertain times for our clients."

### Assets under administration and net new business

| £ billion          | Three months to<br>30 September<br>2019 | Three months to<br>30 September<br>2018 |
|--------------------|---|---|
| Opening AUA        | 99.3                                    | 91.6                                    |
| Net new business   | 1.7                                     | 1.3                                     |
| Market movements   | 0.8                                     | 1.2                                     |
| <b>Closing AUA</b> | <b>101.8</b>                            | <b>94.1</b>                             |

Net new business was £1.7 billion during the period (2018: £1.3bn). This was driven through a variety of channels including organic new client growth, ongoing wealth consolidation onto our platform from existing clients, continued flows into our cash management service "Active Savings" and direct back book transfers from J.P. Morgan and Baillie Gifford (£0.9bn). We have, however, seen new business in the period being impacted by weak investor sentiment arising from continuing Brexit and political uncertainty in the UK and wider global macro issues such as trade tariffs.

Rising stock markets have led to a positive market movement of £0.8 billion, which combined with net new business has driven AUA to a record £101.8 billion as at 30 September 2019.

We welcomed 35,000 new clients in the period (2018: 29,000), taking active client numbers to 1,260,000.

### Net revenue

Net revenue for the period was £128.1 million, up 6% on last year, benefitting from higher AUA levels due to net new business and market growth. Having gone through a period of elevated investment in people, digital marketing and technology in 2017 and 2018 financial years, which has been validated by our net new business flows, net new clients, retention rates and increased market share, we have since been deliberately moderating the rate of investment. Whilst we anticipate that costs will typically be aligned to client number growth, we are mindful of the external market environment, and hence remain watchful on costs despite the client and revenue growth experienced during the period.

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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.*

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## Assets under administration

| Average AUA (£billion)    | 3 months to 30 September 2019 | 2 months to 30 June 2019 | 4 months to 30 April 2019 | 3 months to 31 December 2018 | 3 months to 30 September 2018 |
|---------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|
| Funds                     | 54.6                          | 53.1                     | 50.2                      | 48.1                         | 52.0                          |
| Shares                    | 34.6                          | 33.3                     | 31.4                      | 29.5                         | 32.0                          |
| Cash                      | 11.1                          | 10.7                     | 10.5                      | 10.2                         | 9.7                           |
| HL Funds                  | 9.3                           | 9.4                      | 9.1                       | 8.9                          | 9.6                           |
| Active Savings            | 1.2                           | 0.9                      | 0.6                       | 0.3                          |                               |
| Double count <sup>1</sup> | (9.2)                         | (9.3)                    | (9.0)                     | (8.9)                        | (9.5)                         |
| Total                     | 101.6                         | 98.1                     | 92.8                      | 88.1                         | 93.8                          |

| AUA (£billion)            | As at 30 September 2019 | As at 30 June 2019 | As at 30 April 2019 | As at 31 December 2018 | As at 30 September 2018 |
|---------------------------|-------------------------|--------------------|---------------------|------------------------|-------------------------|
| Funds                     | 54.2                    | 53.8               | 52.7                | 46.6                   | 52.0                    |
| Shares                    | 34.9                    | 33.7               | 33.4                | 28.5                   | 32.2                    |
| Cash                      | 11.3                    | 10.8               | 10.9                | 10.4                   | 9.7                     |
| HL Funds                  | 9.2                     | 9.4                | 9.4                 | 8.6                    | 9.6                     |
| Active Savings            | 1.3                     | 1.0                | 0.8                 | 0.4                    | 0.1                     |
| Double count <sup>1</sup> | (9.1)                   | (9.4)              | (9.4)               | (8.6)                  | (9.5)                   |
| Total                     | 101.8                   | 99.3               | 97.8                | 85.9                   | 94.1                    |

<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.

| AUA (£billion)              | 3 months to 30 September 2019 | 2 months to 30 June 2019 | 4 months to 30 April 2019 | 3 months to 31 December 2018 | 3 months to 30 September 2018 |
|-----------------------------|-------------------------------|--------------------------|---------------------------|------------------------------|-------------------------------|
| Opening AUA                 | 99.3                          | 97.8                     | 85.9                      | 94.1                         | 91.6                          |
| Underlying net new business | 1.7                           | 1.9                      | 2.9                       | 1.2                          | 1.3                           |
| Market movements            | 0.8                           | (0.4)                    | 9.0                       | (9.4)                        | 1.2                           |
| Closing AUA                 | 101.8                         | 99.3                     | 97.8                      | 85.9                         | 94.1                          |