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2020 INTERIM RESULTS

HARGREAVES
LANSDOWN

FURTHER GROWTH AND DEVELOPMENT IN H1 2020

Clients

- 50,000 new active clients
- 1,274,000 active clients
- 93.3% retention rate

Assets

- £105.2bn of Assets Under Administration
- Net new business of £2.3bn
- 41.8% share of D2C platform market¹

Earnings

- Profit before tax of £171.1m (+12%)
- Earnings per share 29.3p (+12%)
- Interim dividend 11.2p (+9%)

Proposition and Service

- Active Savings AUA of £1.6bn
- Completed direct migrations
- Focus on client outcomes

1. Platform UK D2C Market Overview, February 2020 (provisional), data as at 30 September 2019

PHILIP JOHNSON

CFO UPDATE

FINANCIAL HIGHLIGHTS

£ million	H1 2020	H1 2019	+/-
Revenue	257.9	236.4	9%
Profit before tax	171.1	153.4	12%
Diluted EPS	29.3p	26.1p	12%
Interim dividend per share	11.2p	10.3p	9%

Net revenue

+9%

Average FTSE All Share

+2%

Profit before tax

+12%

Interim dividend

+9%

REVENUE BY ASSET TYPE

Asset class	H1 2020 revenue £ million	H1 2019 revenue £ million	+/-	H1 2020 average AUA £ billion	H1 2019 average AUA £ billion	+/-	H1 2020 margin bps	H1 2019 margin bps	31 Dec 19 closing AUA £ billion
Funds	109.6	103.2	6%	54.6	50.1	9%	40	41	55.9
Shares	45.7	42.1	9%	35.0	30.8	14%	26	27	36.5
Cash	46.0	33.2	39%	11.2	9.9	13%	82	67	11.1
HL Funds	33.9	34.7	(2%)	9.2	9.3	(1%)	73	74	9.4
Other ⁽¹⁾	22.7	23.2	(2%)	1.3	0.2				1.6
Double-count ⁽²⁾		-		(9.1)	(9.3)				(9.3)
	257.9	236.4	9%	102.2	91.0	12%			105.2

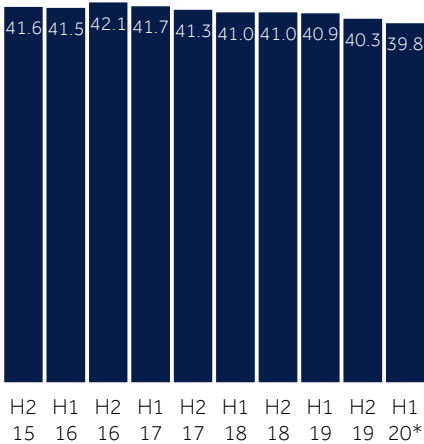
⁽¹⁾ Includes Active Savings

⁽²⁾ Deducted to avoid double-count as average AUA in Funds for platform fee and in HL funds for annual management charge

REVENUE MARGINS

Stability over time

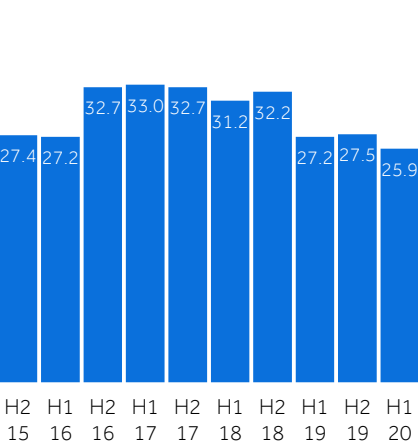
FUNDS
Guidance: 40-41bps



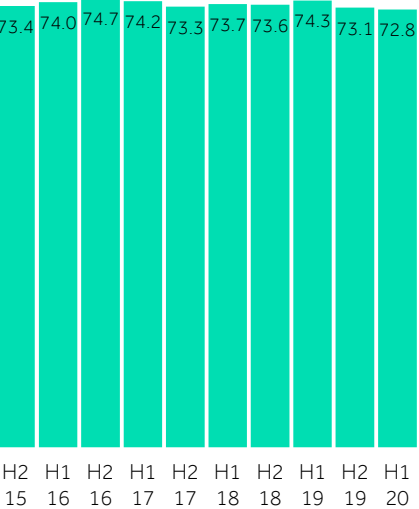
■ Platform fee, post RDR

*40.7bps without WEIF and WIF waiver

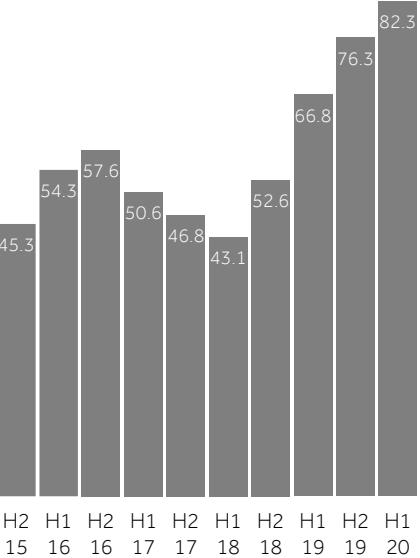
SHARES
Guidance: 24-28 bps



HL FUNDS
Guidance: 70-75bps



CASH
Guidance: 75-80bps



OPERATING COSTS

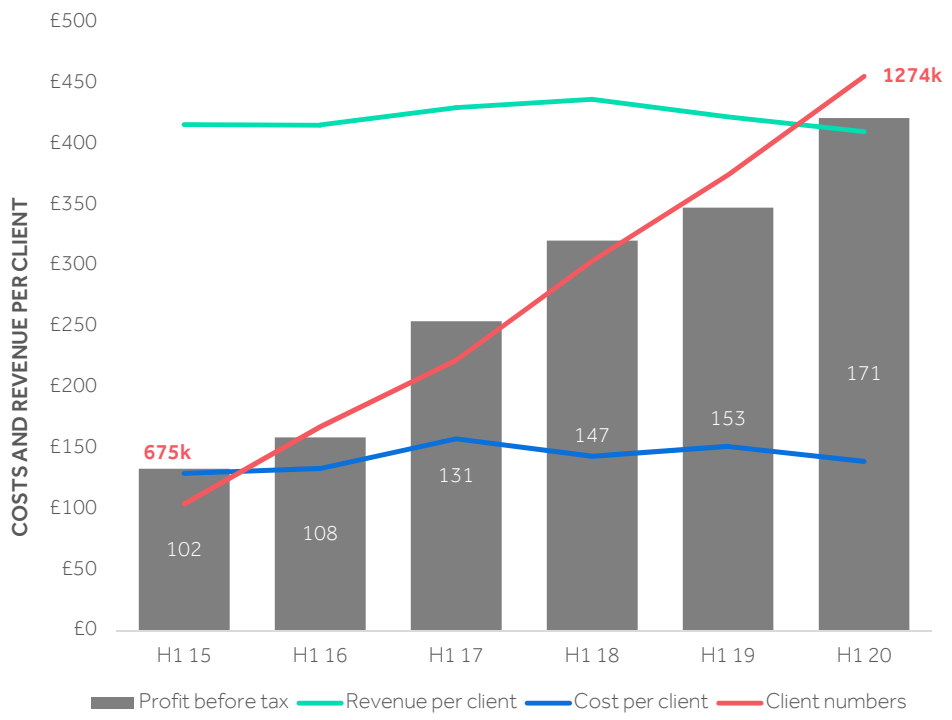
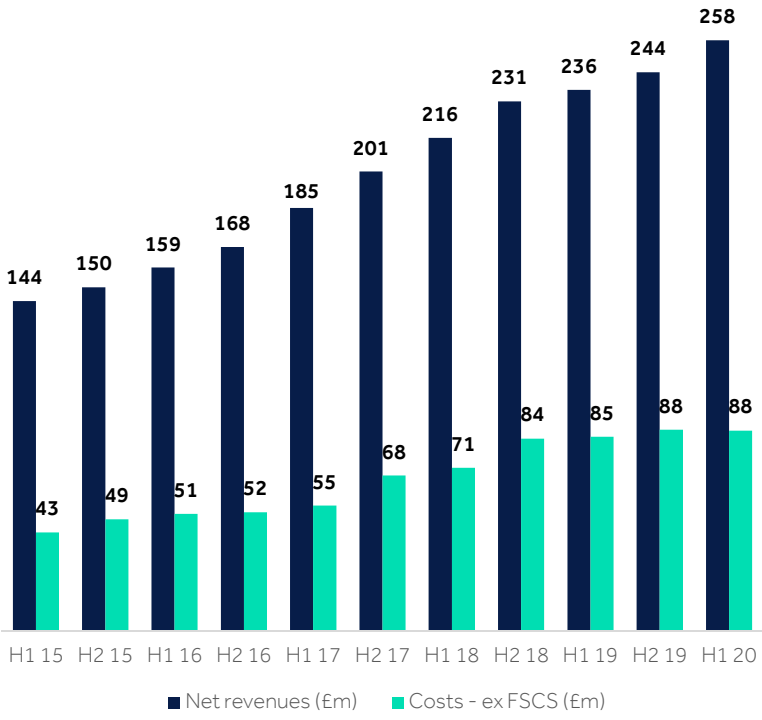
Managing costs in line with market conditions

£ million	H1 2020	H1 2019	+/-
Staff costs	50.5	49.5	
Marketing	6.0	6.0	
Dep'n & financial costs	8.4	5.8	
Other costs	22.6	23.5	
Costs (ex. FSCS levy)	87.5	84.8	3%
FSCS levy	1.7	0.3	
Total operating costs	89.2	85.1	5%

- Adoption of IFRS16 moving £1.6m from other costs to depreciation
- Industry-wide interim FSCS levy
- Expect second half costs to rise due to:
 - Increased marketing through tax year end
 - Ongoing proposition improvements
 - Annual FSCS levy

PROFIT BEFORE TAX

Increased client numbers driving profit growth



EPS AND DIVIDENDS

Operating our communicated dividend policy

£ million	H1 2020	H1 2019	+/-
Operating profit	169.7	152.4	11%
Finance income	1.6	1.2	
Finance costs	(0.2)	(0.2)	
Profit before tax	171.1	153.4	12%
Tax	(31.8)	(29.3)	
Profit after tax	139.3	124.1	12%
Diluted share count (m)	475.6	475.8	
Diluted EPS (p)	29.3	26.1	12%

Pence per share	2020	2019	+/-
Interim	11.2	10.3	9%
Final		23.4	
Total ordinary		33.7	
Ordinary dividend payout ratio		65%	
Special		8.3	
Total		42.0	
Total dividend payout ratio		81%	

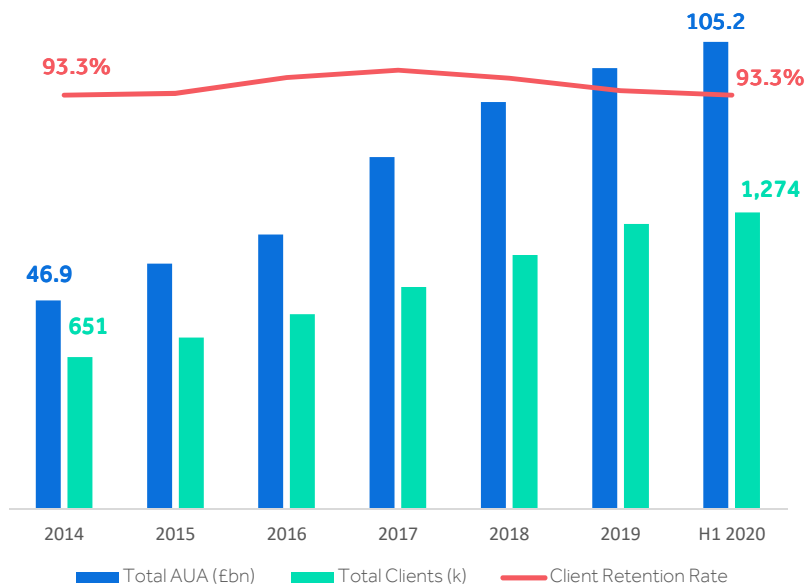
CHRIS HILL

CEO UPDATE

GROWTH

Continued performance in difficult market conditions

Clients - Assets - Retention



Market Environment

- Tough market backdrop
- Low investor confidence
- Uncertainties around Woodford Equity Income fund
- Weak industry wide Investment Association flows

HL Growth

- Net New Business of £2.3bn
- AUA of £105.2bn, up 22% YoY
- 50,000 Net New Clients
- Increased market share from 40.5% to 41.8%*

* Platform UK D2C: Market Overview, February 2020 (provisional), data as at 30 September 2019

OUR OPPORTUNITY - LOOKING AHEAD WITH CONFIDENCE

Three fundamental drivers



OUR MARKET
OPPORTUNITY

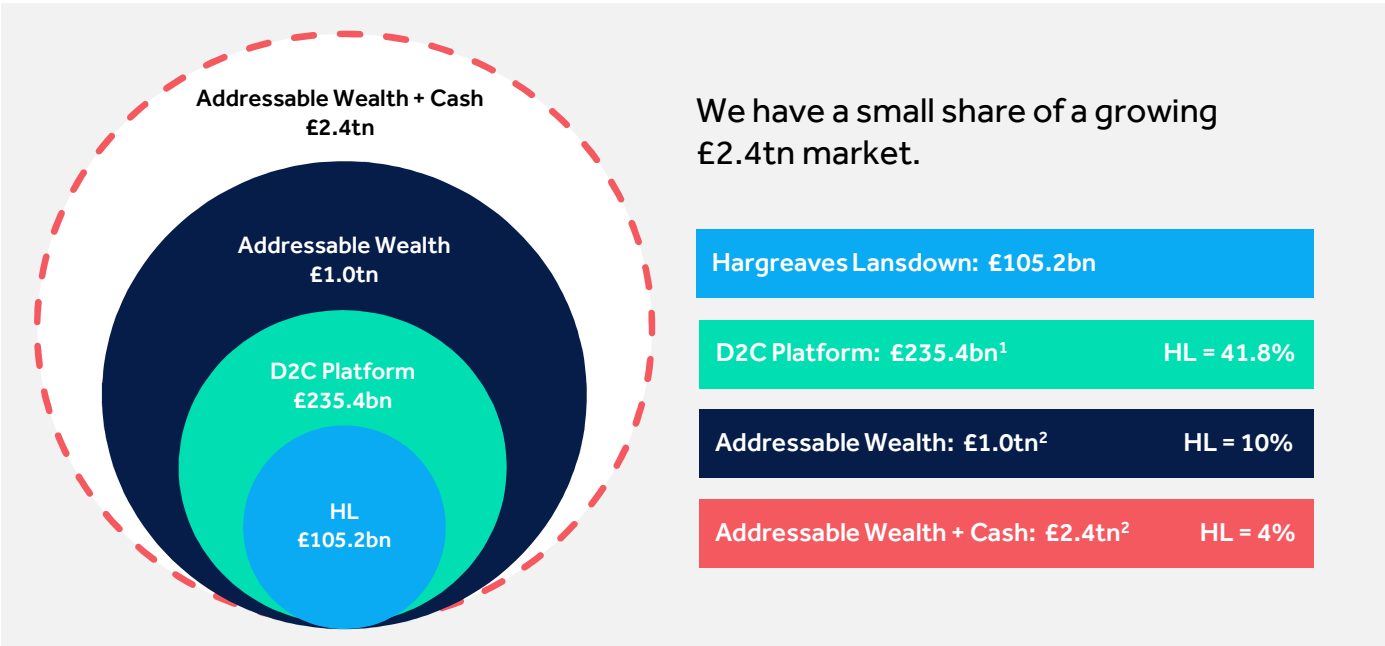
OUR CLIENT
RELATIONSHIPS

OUR CLIENT
FOCUSED
STRATEGY AND
CULTURE

OUR OPPORTUNITY – STRUCTURAL GROWTH DRIVERS

Helping clients to navigate a complex and growing market

- People are living longer 
- Ongoing low asset yields 
- Political & market uncertainty 
- Complex savings environment 
- Individual responsibility 



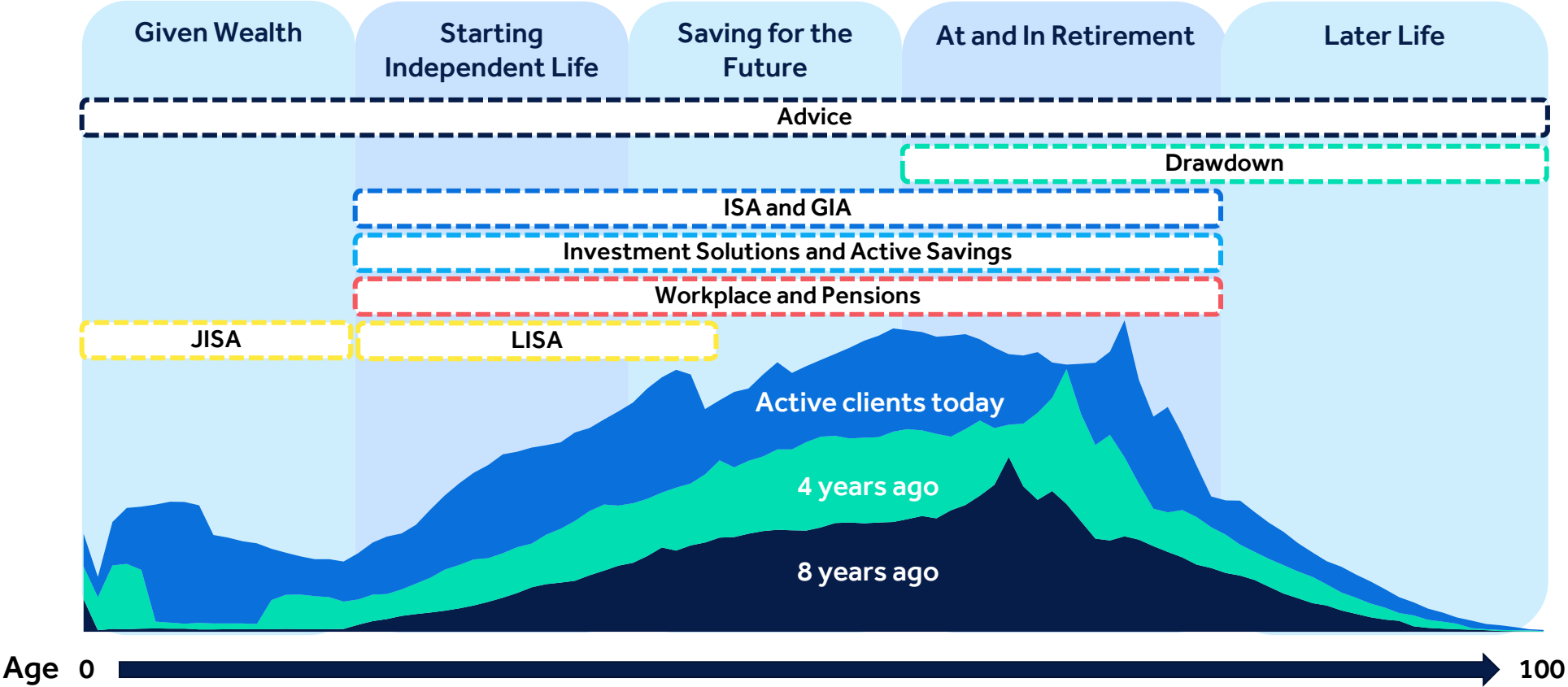
We have a small share of a growing £2.4tn market.

We provide an outstanding client experience with a proposition and service to help clients through these trends and get to the right outcomes

1. Platform UK D2C Market Overview, February 2020 (provisional), data as at 30 September 2019
 2. Oliver Wyman. Addressable wealth includes self-directed, financial adviser and independent wealth manager segments mainly serving upper affluent.

OUR OPPORTUNITY – CLIENT RELATIONSHIPS

Attracting a greater proportion of younger and wealthier clients



OUR OPPORTUNITY - CLIENTS AT THE CENTRE OF OUR STRATEGY

Ensuring we are delivering the right outcomes

Client Proposition and Service

OUR PURPOSE

To empower people to save and invest with confidence

OUR PROMISES

Safe and secure, easy and efficient, incredible service, lifelong relationship, great value

OUR VALUES

Put the client first, go the extra mile, do the right thing, make it easy, do it better

Creating Client Engagement

PEOPLE

Attracting, investing in and retaining the best talent to help our clients

TECHNOLOGY

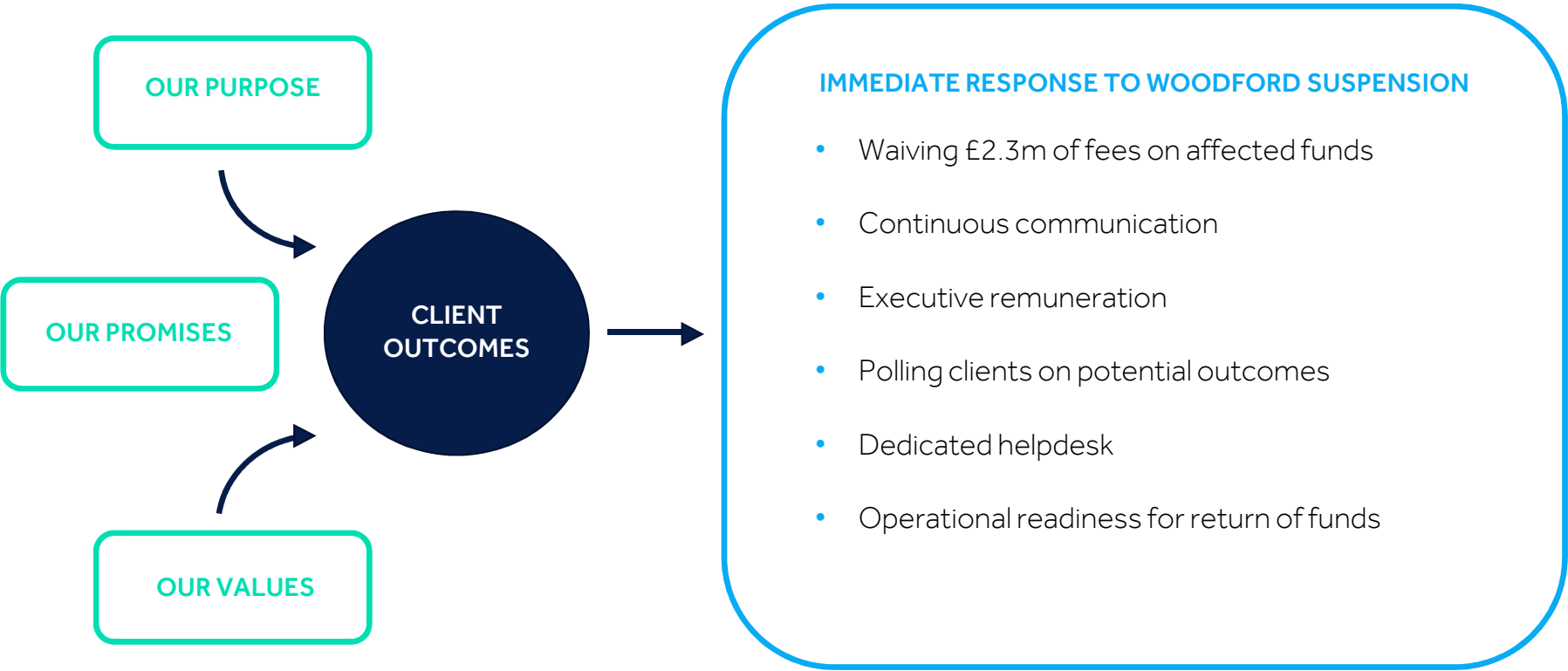
Constantly improving the client experience and keeping data safe

MARKETING

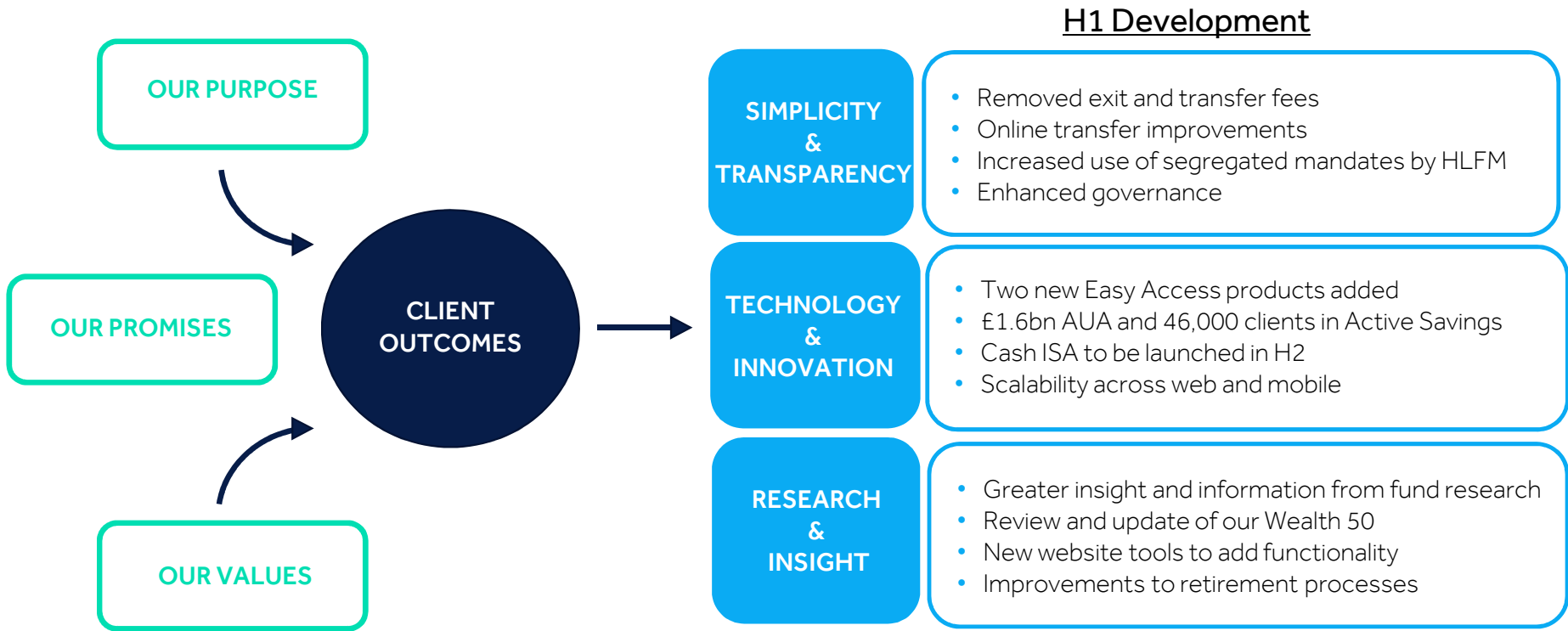
Developing relevant content, propositions and effective client communications



OUR OPPORTUNITY - DEVELOPING OUR SERVICE



OUR OPPORTUNITY - DEVELOPING OUR SERVICE



OUTLOOK

- Structural growth opportunity
- Fundamental drivers of growth reinforced
- Execution of our strategy is positioning us well
- We will continue to invest into the opportunity
- Confidence has picked up into the New Year

FORWARD-LOOKING STATEMENTS

- These presentation slides contain forward-looking statements and forecasts with respect to the financial condition and the results of Hargreaves Lansdown plc.
- These statements are forecasts involving risk and uncertainty because they relate to events and depend upon circumstances that may occur in the future.
- There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this presentation should be construed as a profit forecast.
- Nothing in this presentation should 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.