

Trading update

8 October 2020

Hargreaves Lansdown plc ('the Group') today publishes a trading update in respect of the three month period to 30 September 2020 ('the period'). The comparatives are for the period from 1 July 2019 to 30 September 2019 ("2019").

Highlights

- Net new business of £0.8 billion in the period
- Net new clients of 31,000
- Assets under administration ("AUA") of £106.9 billion as at 30 September 2020, up 3% since 30 June 2020
- Revenue for the period of £143.7 million (2019: £128.1 million), up 12%

Chris Hill, Chief Executive Officer, commented:

"Today we report a good start to our financial year, with growth in clients, assets and revenue. These results are against the ongoing backdrop of market uncertainty and highlight the resilience of our business model and client proposition. We are confident that the strategy we have invested in, with our focus on the needs of UK investors and savers and delivering the highest level of client service, means that we continue to be well positioned to deliver continued attractive long-term growth."

Assets under administration and net new business

£ billion	Three months to 30 September 2020	Three months to 30 September 2019
Opening AUA	104.0	99.3
Net new business	0.8	1.7
Market movements	2.1	0.8
Closing AUA	106.9	101.8

Net new business was £0.8 billion during the period (2019: £1.7bn, £0.8bn excluding back book transfers). This is a pleasing result given the period has seen weakening investor sentiment arising from COVID-19 and the re-emergence of Brexit uncertainty. As noted, last year benefited from direct back book transfers from J.P. Morgan and Baillie Gifford of £0.9 billion.

During the quarter, flows into Active Savings were hampered by the market leading rates on offer from the government backed NS&I. However, since NS&I cut their interest rates in mid-September we have seen a marked impact on flows back into Hargreaves Lansdown's Active Savings.

A positive market movement of £2.1 billion, combined with net new business has driven AUA to £106.9 billion as at 30 September 2020.

We welcomed 31,000 net new clients in the period (2019: 35,000, 17,000 excluding direct back book transfers), taking active client numbers to 1,443,000.

Revenue

Revenue for the period was £143.7 million, up 12% on last year despite, on average, the FTSE All Share being down versus the comparative period by 18%. Revenue, was in part, driven by strong stockbroking revenues from continued elevated share dealing volumes. Although down on the peak levels seen earlier this year share dealing volumes across the quarter remained high and averaged 980,000 deals per month.

Contacts:

Investors

Philip Johnson, Chief Financial Officer
James Found, Head of Investor Relations
+44(0)7970 066634

Media

Danny Cox, Head of External Relations
+44(0)7989 672071

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

Assets under administration

Average AUA (£billion)	3 months to 30 September 2020	2 months to 30 June 2020	4 months to 30 April 2020	3 months to 31 December 2019	3 months to 30 September 2019
Funds	52.4	51.1	49.4	54.6	54.6
Shares	37.6	35.8	32.5	35.4	34.6
Cash	13.5	13.6	13.2	11.3	11.1
HL Funds	7.9	8.0	8.2	9.2	9.3
Active Savings	2.2	2.2	1.9	1.5	1.2
Double count ¹	(7.8)	(7.9)	(8.1)	(9.1)	(9.2)
Total	105.8	102.8	97.1	102.9	101.6

AUA (£billion)	As at 30 September 2020	As at 30 June 2020	As at 30 April 2020	As at 31 December 2019	As at 30 September 2019
Funds	52.8	51.7	47.9	55.9	54.2
Shares	38.2	36.4	32.5	36.5	34.9
Cash	13.5	13.6	14.1	11.1	11.3
HL Funds	7.8	8.0	7.7	9.4	9.2
Active Savings	2.3	2.2	2.1	1.6	1.3
Double count ¹	(7.7)	(7.9)	(7.6)	(9.3)	(9.1)
Total	106.9	104.0	96.7	105.2	101.8

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 2020	2 months to 30 June 2020	4 months to 30 April 2020	3 months to 31 December 2019	3 months to 30 September 2019
Opening AUA	104.0	96.7	105.2	101.8	99.3
Net new business ¹	0.8	1.4	4.0	0.6	1.7
Market movements	2.1	5.9	(12.4)	2.8	0.8
Founder transfer ²	-	-	(0.1)	-	-
Closing AUA	106.9	104.0	96.7	105.2	101.8

¹ Net new business in the 3 months to 30 September 2019 includes £0.9bn of flows acquired from J.P. Morgan and Baillie Gifford direct back books

² Net new business excludes the withdrawal of £110 million of Hargreaves Lansdown plc placing proceeds during the period that were held by a founder.