

## Trading update

4 May 2023

Hargreaves Lansdown plc today issues a trading update in respect of the three months ended 31 March 2023 ("Q3").

### Highlights

- Net new business of £1.6 billion in the period, up 14% on Q3 FY22.
- Closing Assets under Administration ("AUA") of £132.0 billion, up 4% in the quarter.
- Revenue for the period of £188.1 million, up 28% on Q3 FY22.
- Net client growth of 23,000 in the period, taking us to 1.8 million clients.

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

"We delivered net new business of £1.6 billion in the period, up 14% on last year as the combination of changes to the tax landscape, our marketing activity, and ongoing developments in our core propositions generated a call to action for clients in the run up to tax year end. Macroeconomic uncertainty continues but the improved activity demonstrates that as confidence returns, HL is well positioned to grow and support new and existing clients on their investment and savings journeys.

During the quarter, we launched a new cash ISA, three new Portfolio Funds and our enhanced Share Exchange service helping clients enable efficient use of their tax allowances. The targeted price reduction we have made to our LISA product and making our Junior ISA fee free demonstrates how we are thinking about specific improvements to help families manage wealth and to help those starting out on their investing journeys."

### Trading performance

- Net new business of £1.6 billion in Q3 (Q3 FY22: £1.4bn), despite moderated flows being seen across the market. This was a significant step up versus the first half of the year driven by net flows on to the Platform as clients focused more on utilising their ISA and SIPP tax allowances.
- Active Savings saw net inflows of £0.7 billion in the quarter (Q3 FY22: £0.1 billion) with lower flows than the previous quarter as clients favoured tax wrapped investments ahead of the tax year-end.
- Active client growth of 23,000 in the quarter (Q3 FY22: 31,000) with client retention at 92.0% broadly in line with last year (Q3 FY22: 91.7%); asset retention of 89.1%, lower than prior year (Q3 FY22: 91.5%) reflecting the continued need of certain clients for cash withdrawals.
- Closing AUA of £132.0 billion reflects £3.3 billion positive market movement, combined with £1.6 billion of net new business.
- Total revenue in the quarter of £188.1 million (Q3 FY22: £146.9m) up 28%; year-to date revenue of £538.1 million (FY22: £438.0m) up 23% reflecting a continuation of the increase in net interest margin, which more than offset the impact from the reduction in share dealing volumes and lower average asset values during the period.
- Share dealing volumes have averaged 770,000 per month in the quarter, up 23% versus the previous quarter but 20% lower than prior year, which saw a particularly elevated quarter for dealing volumes before investor confidence was hit hard by concerns over the conflict in Ukraine and cost of living issues.

### Financial calendar

A fourth quarter trading update will be issued on 19<sup>th</sup> July 2023 and then the full year results, including progress on our strategic initiatives will be issued on 19<sup>th</sup> September 2023. Our Annual General Meeting is set for 8<sup>th</sup> December 2023.

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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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## Revenue, clients, retention rates and share dealing volumes

Key metrics	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022	3 months to 30 June 2022	3 months to 31 March 2022
Revenue (£m)	188.1	187.1	162.9	145.0	146.9
Net new clients	23,000	14,000	17,000	13,000	31,000
Total active clients	1,791,000	1,768,000	1,754,000	1,737,000	1,724,000
Client Retention Rate (%)	92.0	92.6	92.2	91.3	91.7
Asset Retention Rate (%)	89.1	91.1	91.7	91.5	91.5
Share dealing volumes per month	770,000	627,000	700,000	779,000	960,000

## Assets under administration

AUA (£billion)	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022	3 months to 30 June 2022	3 months to 31 March 2022
Opening AUA	127.1	122.7	123.8	134.7	141.2
Net new business - platform	0.9	(0.1)	-	1.1	1.3
Net new business – Active Savings	0.7	1.0	0.7	0.7	0.1
Total net new business	1.6	0.9	0.7	1.8	1.4
Market movements and other	3.3	3.5	(1.8)	(12.7)	(7.9)
Closing AUA	132.0	127.1	122.7	123.8	134.7

Closing AUA (£billion)	As at 31 March 2023	As at 31 December 2022	As at 30 September 2022	As at 30 June 2022	As at 31 March 2022
Funds	61.6	59.6	57.4	58.2	64.4
Shares	49.8	47.1	45.2	45.9	52.1
Cash	13.5	14.1	14.8	15.0	14.3
HL Funds	8.6	8.3	7.8	8.0	8.6
Active Savings	7.0	6.3	5.3	4.6	3.9
Double count <sup>1</sup>	(8.5)	(8.3)	(7.8)	(7.9)	(8.6)
Total	132.0	127.1	122.7	123.8	134.7

Average AUA (£billion)	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022	3 months to 30 June 2022	3 months to 31 March 2022
Funds	61.8	59.2	59.8	61.0	63.7
Shares	50.1	47.3	47.5	48.7	51.7
Cash	13.6	14.3	14.8	14.8	14.0
HL Funds	8.6	8.2	8.1	8.3	8.6
Active Savings	6.8	6.0	5.1	4.3	3.9
Double count <sup>1</sup>	(8.5)	(8.1)	(8.1)	(8.3)	(8.5)
Total	132.4	126.9	127.2	128.8	133.4

<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.