

Trading update

19 July 2023

Hargreaves Lansdown plc today issues a trading update in respect of the three months ended 30 June 2023 ("Q4").

Highlights

- Net new business of £1.7 billion in the period, up 6% on the previous quarter.
- Closing Assets under Administration ("AUA") of £134.0 billion, up 2% in the quarter.
- Net client growth of 13,000 in the period, taking us to 1,804,000 clients.

Chris Hill, Chief Executive Officer, commented:

"We delivered net new business of £1.7 billion in the period, up 6% on the previous quarter. The tax year end season remains a critical time for our clients and this year we focused on supporting them to navigate the changes to the tax landscape, making the most of their allowances and delivering further value to our overall client proposition.

The improvements in the previous quarter, including the launch of a new cash ISA, three new Portfolio Funds and price reductions on our LISA and JISA accounts, were further enhanced with the removal of fees for dividend reinvestment and regular monthly investing along with the addition of new partner banks to Active Savings.

The breadth of and continued investment into our client proposition, means we remain well positioned to grow and support both new and existing clients with their investment and savings needs."

Trading performance

- Net new business of £1.7 billion in Q4 (Q4 FY22: £1.8bn), despite moderated flows being seen across the market. This was 6% up on the previous quarter to March with continued net flows on to the platform as clients focused on utilising their ISA and SIPP tax allowances, particularly in the final days of the 2023 tax year and the start of the 2024 tax year.
- Active Savings saw net inflows of £0.8 billion in the quarter (Q4 FY22: £0.7 billion) as clients continue to manage their cash savings through us and the broad access we provide to a range of rates and banks.
- Active client growth of 13,000 in the quarter (Q4 FY22: 13,000) with client retention at 92.0%, up on last year (Q4 FY22: 91.3%); asset retention of 89.7%, lower than last year (Q4 FY22: 91.5%) as expected, continuing the trend seen for much of this year, where across the market, specific cohorts of clients are making cash withdrawals to fund cost-of-living increases.
- Closing AUA of £134.0 billion; £0.3 billion positive market movement, combined with £1.7 billion of net new business in the quarter.
- Share dealing volumes have averaged 685,000 per month in the quarter, 11% lower than the previous quarter and 12% lower than prior year. Investor confidence across the quarter has been low with cost-of-living issues, rising interest rates and market volatility impacting deal volumes.

Financial calendar

Our full year results, including progress on our strategic initiatives will be issued on 19 September 2023. Our Annual General Meeting is scheduled to be held on 8 December 2023.

Contacts:

Investors

James Found, Head of Investor Relations
+44(0)7970 066634

Media

Danny Cox, Head of Communications
+44(0)7989 672071
Nick Cosgrove, Brunswick
0207 404 5959

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

Clients, retention rates and share dealing volumes

Key metrics	3 months to 30 June 2023	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022	3 months to 30 June 2022
Net new clients	13,000	23,000	14,000	17,000	13,000
Total active clients	1,804,000	1,791,000	1,768,000	1,754,000	1,737,000
Client Retention Rate (%)	92.0	92.0	92.6	92.2	91.3
Asset Retention Rate (%)	89.7	89.1	91.1	91.7	91.5
Share dealing volumes per month	685,000	770,000	627,000	700,000	779,000

Assets under administration (AUA)

AUA (£billion)	3 months to 30 June 2023	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022	3 months to 30 June 2022
Opening AUA	132.0	127.1	122.7	123.8	134.7
Net new business - platform	0.9	0.9	(0.1)	-	1.1
Net new business – Active Savings	0.8	0.7	1.0	0.7	0.7
Total net new business	1.7	1.6	0.9	0.7	1.8
Market movements and other	0.3	3.3	3.5	(1.8)	(12.7)
Closing AUA	134.0	132.0	127.1	122.7	123.8

Closing AUA (£billion)	As at 30 June 2023	As at 31 March 2023	As at 31 December 2022	As at 30 September 2022	As at 30 June 2022
Funds	62.2	61.6	59.6	57.4	58.2
Shares	50.8	49.8	47.1	45.2	45.9
Cash	13.1	13.5	14.1	14.8	15.0
HL Funds	8.7	8.6	8.3	7.8	8.0
Active Savings	7.8	7.0	6.3	5.3	4.6
Double count ¹	(8.6)	(8.5)	(8.3)	(7.8)	(7.9)
Total	134.0	132.0	127.1	122.7	123.8

Average AUA (£billion)	3 months to 30 June 2023	3 months to 31 March 2023	3 months to 31 December 2022	3 months to 30 September 2022	3 months to 30 June 2022
Funds	62.1	61.8	59.2	59.8	61.0
Shares	50.4	50.1	47.3	47.5	48.7
Cash	13.4	13.6	14.3	14.8	14.8
HL Funds	8.7	8.6	8.2	8.1	8.3
Active Savings	7.5	6.8	6.0	5.1	4.3
Double count ¹	(8.6)	(8.5)	(8.1)	(8.1)	(8.3)
Total	133.5	132.4	126.9	127.2	128.8

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.