

Trading Update

Hargreaves Lansdown Plc

Hargreaves Lansdown Plc ('the Group') today publishes a trading update covering the period from 1 July 2016 to 12 October 2016, including trading data for the three months ended 30 September 2016 ("Q1 2017"). The comparatives are for 1 July 2015 to 30 September 2015 ("Q1 2016").

Summary

- Assets Under Administration ("AUA"), increased by £5.9 billion to a record £67.6 billion (June 2016: £61.7bn).
- Record net quarterly revenue of £90.6m, (Q1 2016: £78.5m) up 15%.
- Net new business inflows of £1.11bn (Q1 2016: £1.43bn), down 22% on Q1 2016.
- Total active client numbers rose by 20,000 (Q1 2016: 24,000), down 17% on Q1 2016.
- Total client numbers now 856,000 (30 June 2016: 836,000).
- Client initiated share deals of 1,031,000 in the quarter (Q1 2016: 691,000) up 49%.

Higher asset values, along with very strong share dealing volumes following on from the EU Referendum has driven net revenue to a record £90.6m, 15% higher than last year.

Despite the higher stock market levels, investor confidence has fallen and there remains much uncertainty about the future economic environment weighing on investors' minds. Such concerns have impacted net new business flows which were down 22%, albeit against a record first quarter performance last year, which was boosted by the new pension freedoms and transfers of Child Trust Funds into Junior ISAs ("JISA"). New money and transfers in have been comparable to last year but we experienced higher levels of cash withdrawals in the early part of the quarter following the EU referendum, particularly from the Fund and Share account where investments tend to be less sticky and trading profits can be more easily withdrawn.

New active clients totalled 20,000, down 17% on last year. Last year was boosted by c7,000 new JISA clients following the introduction of the ability to transfer a Child Trust Fund to a JISA as from 6 April 2015. This year has seen c3,000 new JISA clients.

Client and asset retention rates continue to be strong at 94.6% and 93.4% for the quarter, versus 94.0% and 93.7% respectively seen in the last financial year.

As ever, future stock market levels and investor confidence will have a significant part to play during the remainder of our financial year. However, we remain confident in the execution of our strategy to take advantage of the structural growth opportunity in the UK savings and investments market to the benefit of our clients and shareholders.

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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.

Assets Under Administration

Total assets under administration at 30 September 2016 can be analysed as follows:

	30 Sept 2016 £'billion	30 June 2016 £'billion	30 Sept 2015 £'billion
Vantage Assets Under Administration (AUA)*	64.4	58.7	51.9
Assets Under Management (AUM)			
Portfolio Management Service (PMS)	3.1	2.9	2.8
Multi-Manager Funds held outside of PMS	4.0	3.6	3.0
AUM Total	7.1	6.5	5.8
Less: Multi-Manager funds (AUM) included in Vantage AUA	(3.9)	(3.5)	(3.0)
Total Assets Under Administration and Management	67.6	61.7	54.7

* Figures are subject to rounding

	Vantage AUA £'billion	Discretionary AUM £'billion
AUA/AUM*		
As at 30 June 2016	58.7	6.5
Net new business	1.1	0.1
Market growth and other growth factors	4.6	0.5
As at 30 September 2016	64.4	7.1

* Figures are subject to rounding

	30 September 2016 £'billion	30 June 2016 £'billion
Vantage AUA split by*:		
ISA	25.2	23.0
SIPP	21.2	19.3
Fund & Share	18.0	16.5
Total	64.4	58.7

* Figures are subject to rounding

Net operating revenue*

	Q1 2017 £'million	Q1 2016 £'million	% Increase
Net operating revenue by division:			
Vantage	68.6	58.6	17%
Discretionary	16.2	14.6	11%
Third Party & Other	5.8	5.3	9%
Total	90.6	78.5	15%

* Figures are subject to rounding