

HARGREAVES
LANSDOWN

RESULTS PRESENTATION

HALF YEAR ENDED 31 DECEMBER 2017

GROWTH AND DEVELOPMENT IN H1 2018

Growth	<ul style="list-style-type: none">• 61,000 new active clients• 1,015,000 active clients• 94.5% client retention rate
Assets	<ul style="list-style-type: none">• Net New Business of £3.3bn• £86.1bn of Assets Under Administration
Earnings	<ul style="list-style-type: none">• Profit before tax of £146.9m• Earnings per share 25.0p (+12%)• Interim dividend 10.1p (+17%)
Strategic Development	<ul style="list-style-type: none">• Launch of Active Savings• 50 people established in Warsaw• Continued investment to support scalability

61,000 new active clients
+53%

£3.3bn Net New Business
+43%

£86.1bn AUA
+9%

£146.9m PBT
+12%

PHILIP JOHNSON

CFO UPDATE

FINANCIAL HIGHLIGHTS

£ million	H1 2018	H1 2017	+/-
Net revenue	216.0	184.8	17%
Profit before tax	146.9	131.0	12%
Diluted EPS	25.0p	22.4p	12%
Interim dividend per share	10.1p	8.6p	17%

Net revenue
+17%

Average FTSE All Share
+9%

Profit before tax
+12%

Interim dividend
+17%

REVENUE BY ASSET TYPE

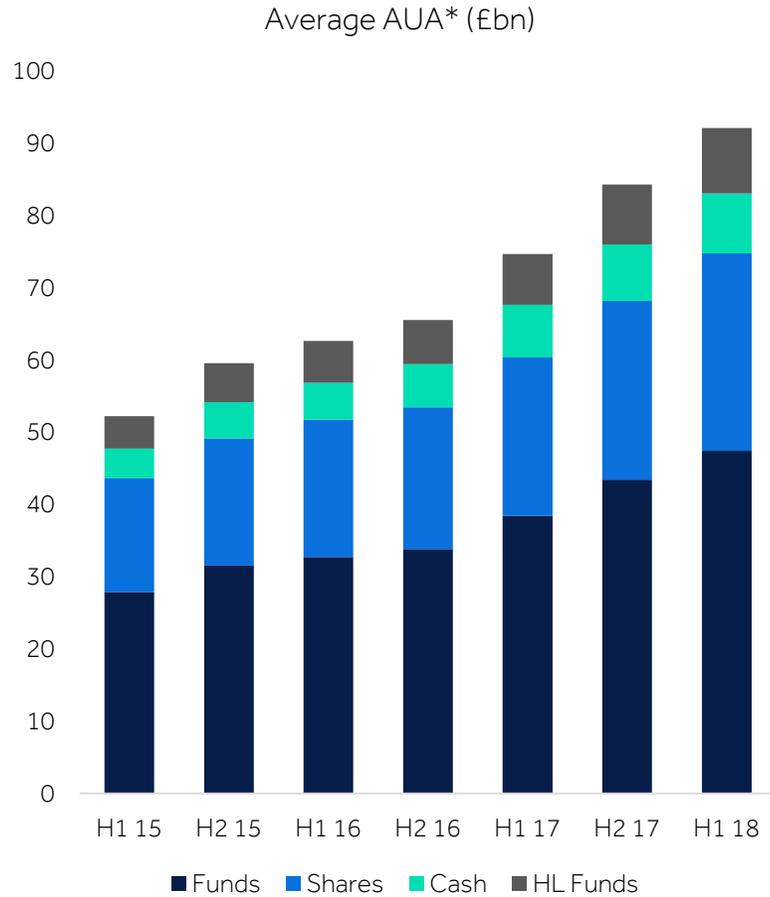
78% recurring revenues; margins in line with expectations

Asset class	H1 2018 revenue £ million	H1 2017 revenue £ million	+/-	H1 2018 average AUA £ billion	H1 2017 average AUA £ billion	+/-	H1 2018 margin bps	H1 2017 margin bps	FY 2018 guidance
Funds	97.8	80.5	21%	47.4	38.4	23%	41	42	40-41bps
Shares	42.9	36.2	19%	27.3	21.9	25%	31	33	27-33bps
Cash	18.2	18.6	(2%)	8.4	7.3	15%	43	51	40-50bps
HL Funds	33.3	26.3	27%	9.0	7.0	29%	74	75	70-75bps
Other	23.8	23.2	3%	(9.0)*	(7.0)*				
	216.0	184.8	17%	83.1	67.6	23%			

- Funds: margin stable post RDR sunset clause, scale discounts available for clients
- Shares: Higher dealing volumes in H1 2018 maintaining solid margin
- Cash: margin fell as August 2016 base rate cut worked through rolling deposit cycle but now rising as the November 2017 rate increase takes effect
- Cash margin guidance increased from 35-45bps for FY 2018 to 40-50bps
- Strong growth in HL Funds assets due to launch of Select funds and growth in Portfolio+
- Asset-based revenues up 22% versus 9% increase in average FTSE All Share level
- H1 2018 closing AUA at £86.1bn versus average AUA of £83.1bn

REVENUE MARGINS

Stability over time



* Including double-count between Funds and HL Funds

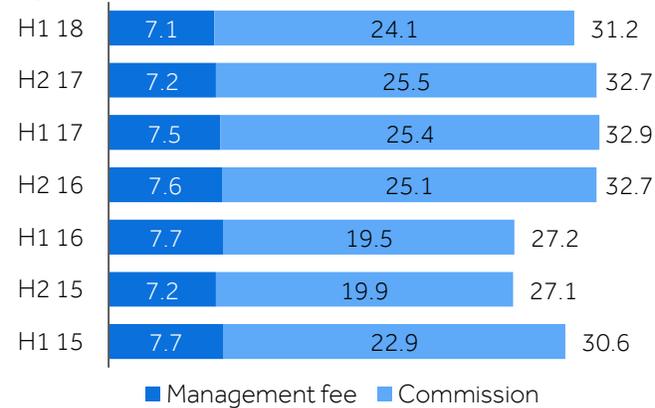
Funds

(guidance 40-41 bps)



Shares

(guidance 27-33 bps)



HL funds

(guidance 70-75bps)



Cash

(prev. guidance 35-45bps; revised 2018 40-50bps)

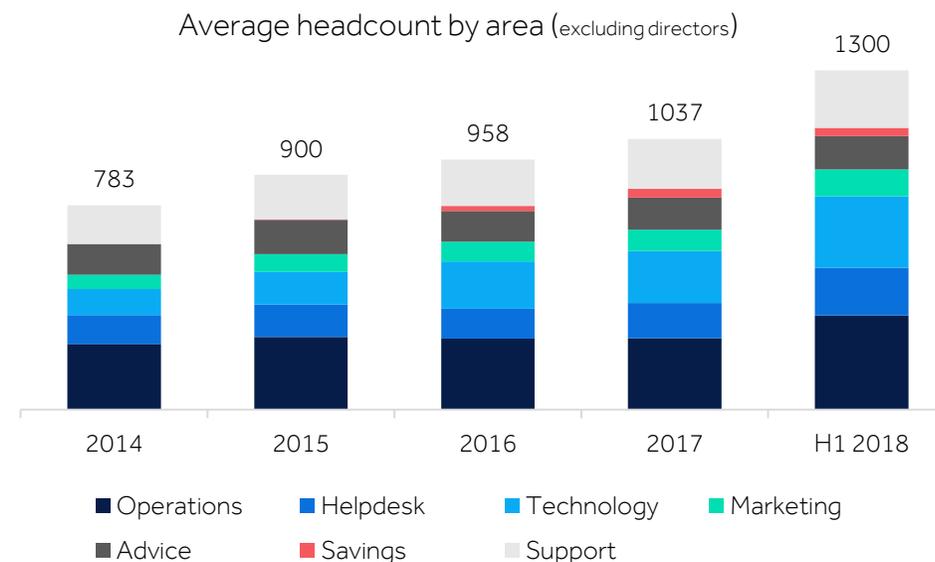
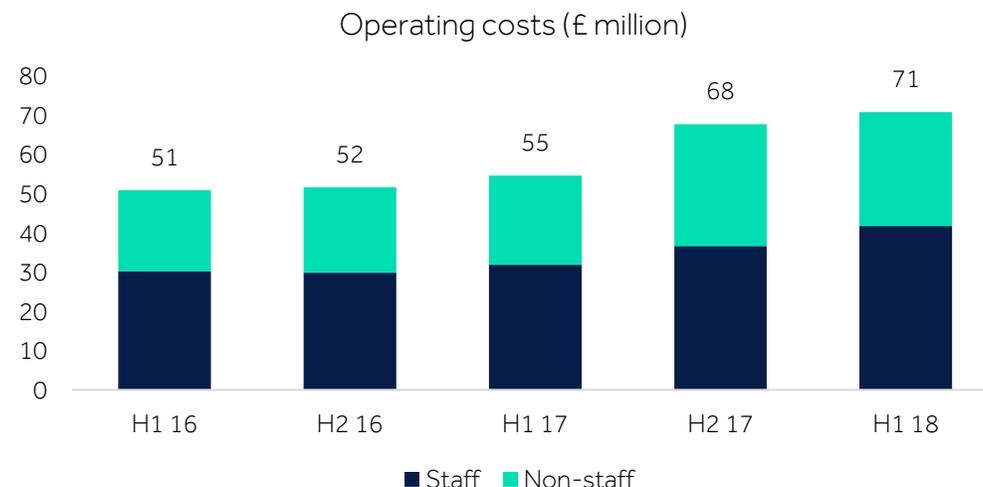


OPERATING COSTS

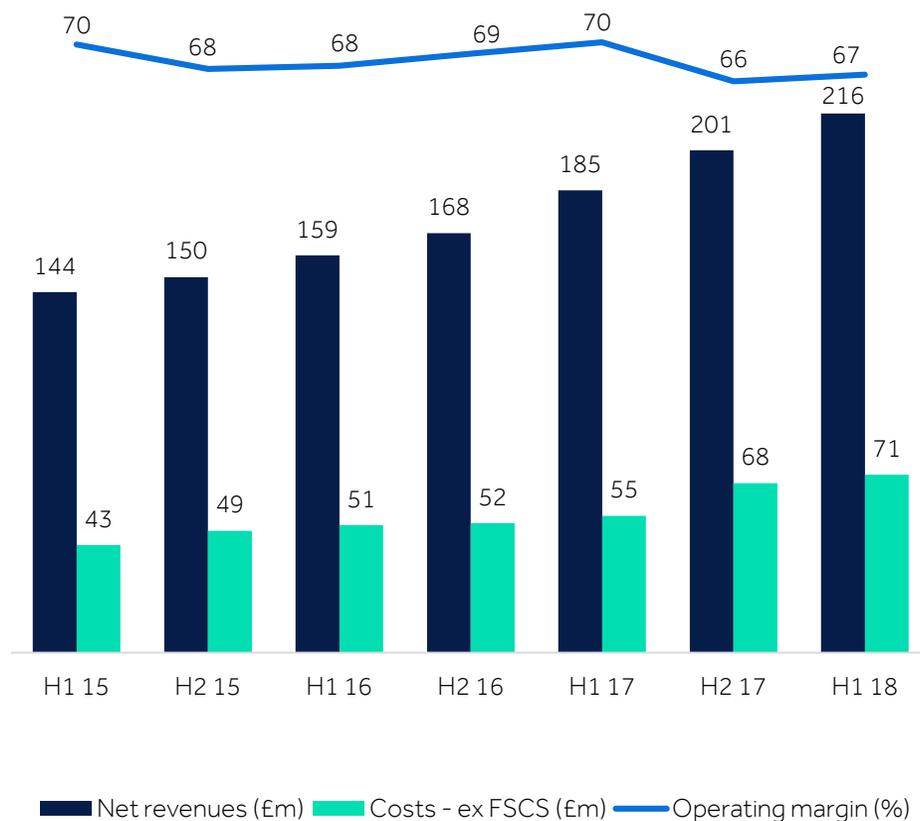
Supporting increased scale and complexity

£ million	H1 2018	H2 2017	+/-	H1 2017	+/-
Staff costs	41.8	36.7	14%	31.9	31%
Marketing	6.9	8.5	(19%)	5.8	19%
Dep'n & financial costs	4.4	5.7	(23%)	3.3	33%
Other costs	18.1	16.9	7%	13.7	32%
Total pre FSCS levy	71.2	67.8	5%	54.7	30%
FSCS levy	(0.3)	4.5		(0.3)	
Total operating costs	70.9	72.3	(2%)	54.4	30%

- Resourcing model changed to support client service and higher client activity levels
- Investing in future efficiency, e.g. HL Tech
- Increased digital marketing activity and expanding on successes of H2 2017
- Depreciation up due to higher capex in recent years. H2 2017 included £1.2m P2P write-off
- Other costs up due to increased dealing charges, computer maintenance and office costs



OPERATING MARGINS AND PROFIT BEFORE TAX

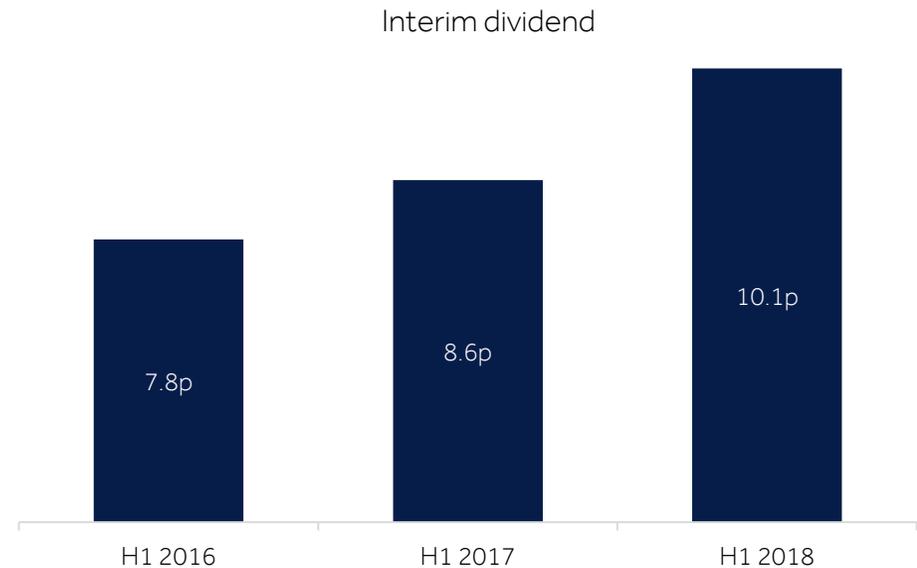


£ million	H1 2018	H1 2017	+/-
Operating profit	146.2	130.5	12%
Other net income	0.7	0.5	
Profit before tax	146.9	131.0	12%
Tax	(27.9)	(24.6)	
Profit after tax	119.0	106.4	12%
Diluted share count (m)	475.2	474.3	
Diluted EPS (p)	25.0	22.4	12%

DIVIDENDS

Robust balance sheet and clear dividend policy

- Responsible approach to balance sheet management
- Progressive ordinary dividend, with intention of maintaining payout ratio at 65% across the cycle
- Retentions to fund growth, investment and regulatory capital needs
- Commitment to returning excess cash via special dividends
- Interim dividend increased by 17% to 10.1p



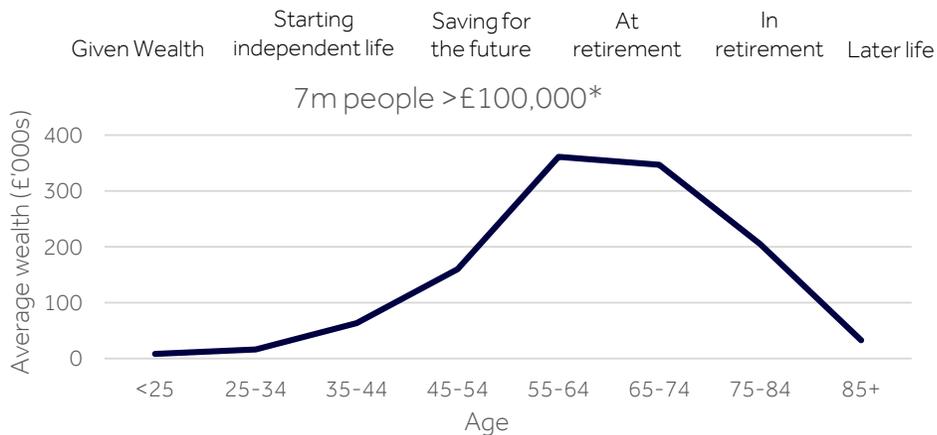
CHRIS HILL

CEO UPDATE

WE REMAIN FOCUSED ON OUR CORE OPPORTUNITY

Strategy as outlined in the summer

Breakdown of UK private wealth market by intermediary*



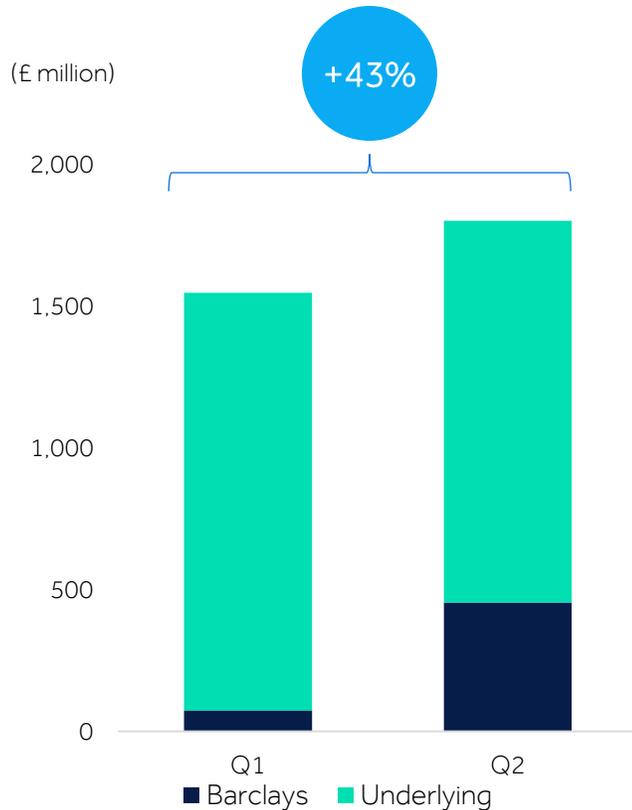
* Source: Oliver Wyman

- Significant market opportunity
 - £314bn savings gap
 - People must take charge for themselves and over a longer period
 - The decline of defined benefit and rise of defined contribution
 - The complexity of Pension Freedoms
 - Long term low yield environment
- Help people through complexity. Make it simple. Solutions, not just information.
- Clear strategy:
 - Client service and satisfaction
 - Maintain and improve the experience
 - Develop capabilities in support of future growth
 - Focus development on understanding groups of clients

ASSET GROWTH BASED UPON STRONG BUSINESS FLOWS

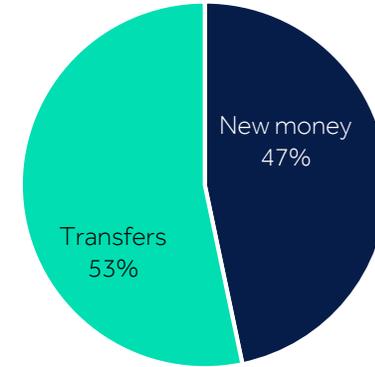
We continue to see inflows from across the sector

H1 18 Net New Business £3.3bn

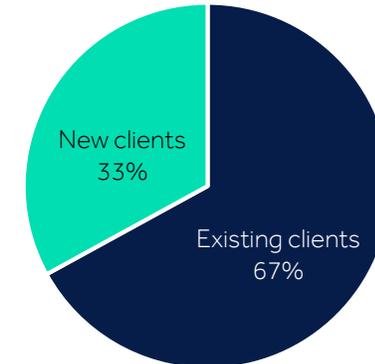


- Inflows from banks, life companies, & platforms
- 38.2% Platform market share*
- 30.5% stockbroking market share**
- Diversity of platform supports changes in investor flows (Global vs UK Equity Income)

Gross inflows



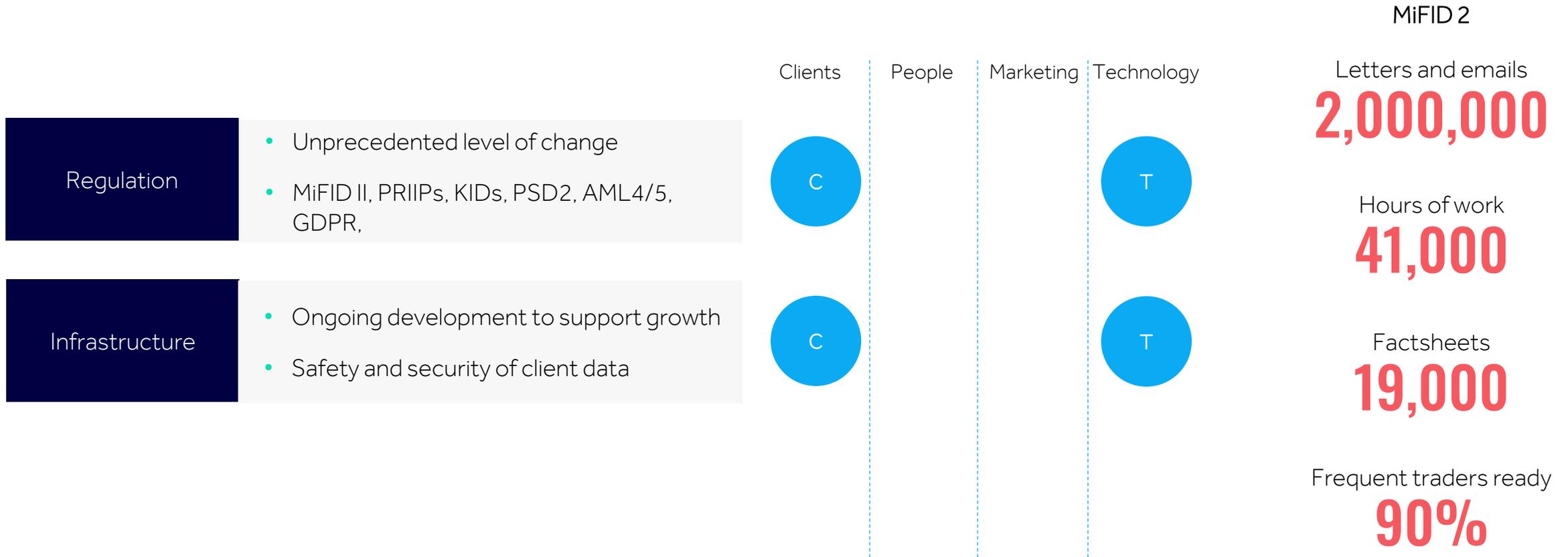
61,000 net new clients
+53%



£3.3bn NNB
+43%

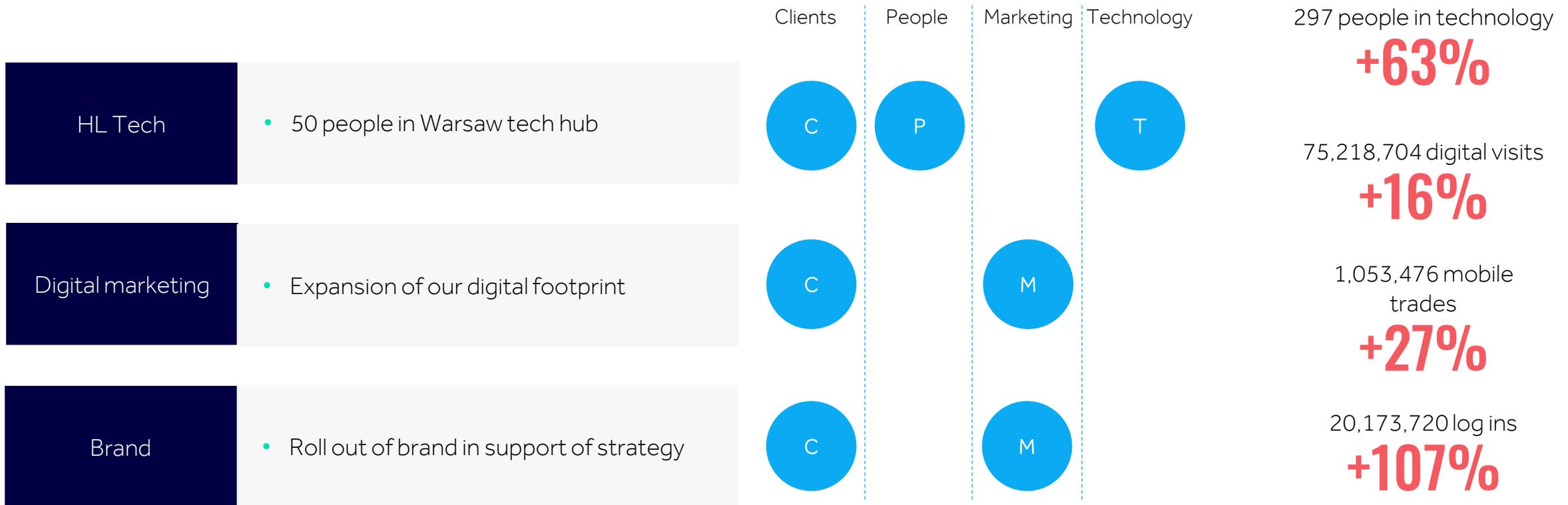
WE CONTINUE TO EVOLVE OUR SERVICES AND CAPABILITIES

Maintaining the business to keep pace with regulation and scale



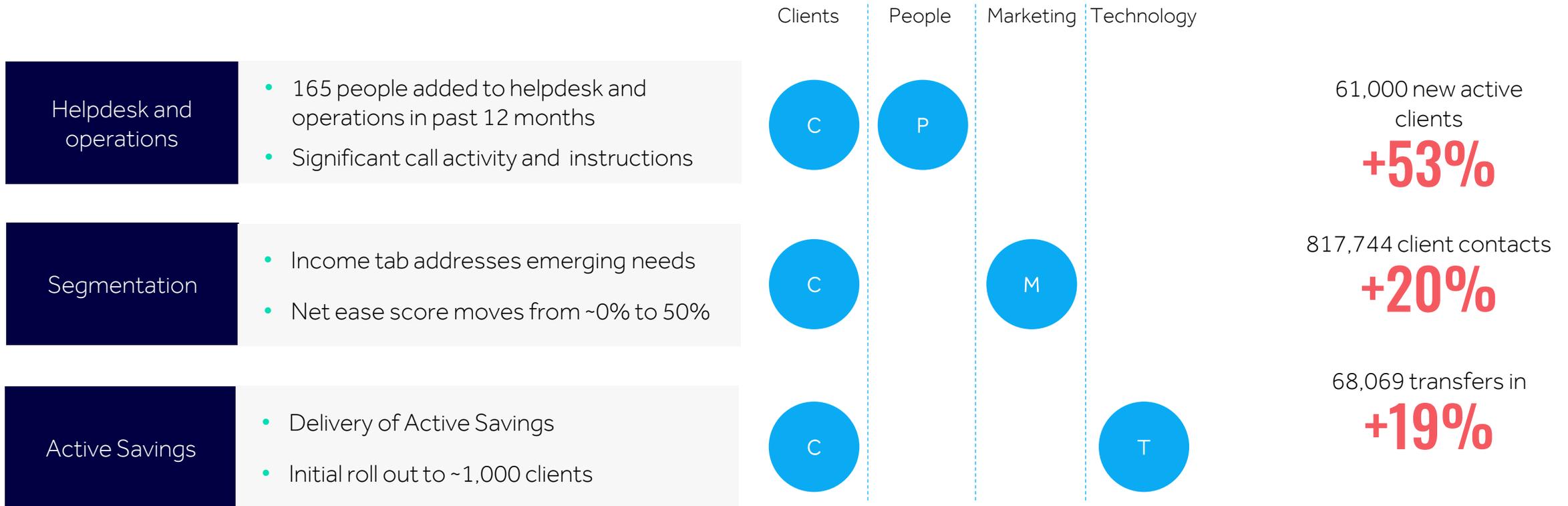
WE CONTINUE TO EVOLVE OUR SERVICES AND CAPABILITIES

Developing our capabilities to drive growth



WE CONTINUE TO EVOLVE OUR SERVICES AND CAPABILITIES

Investing in our service to help clients



ACTIVE SAVINGS

Helping clients to save as well as to invest

- Online service
- One application process provides access to a range of partner banks
- Unwrapped account – no ISA or SIPP yet
- Fixed term deposits at launch – 6 months to 5 years
- Initially looking at ~1,000 clients to test and learn
- Measured output – scale over time

The screenshot displays the Hargreaves Lansdown website's 'Active Savings Account' page. At the top, there is a navigation bar with links for 'Our services', 'Fund prices & research', 'Share prices & stock markets', 'Newsroom', 'Pensions & retirement', 'Help, guides & tools', and 'My accounts'. Below this, the account balance is shown as £297.66, with sub-balances for 'Active savings' (£105.00) and 'Cash hub (not earning interest)' (£192.66). The 'Latest Rates' tab is selected, showing a list of 12 savings products. The table below details these products, including provider, AER/Gross rate, term, minimum balance, interest paid, and apply-by date.

Provider	AER / Gross	Term	Min balance	Interest paid	Apply by	
Aldermore	0.85% 0.85% fixed	6 months fixed No withdrawals	£100.00	Maturity	29/01/2018	Details
United Trust Bank	0.85% 0.85% fixed	6 months fixed No withdrawals	£5,000.00	Maturity	01/02/2018	Details
Shawbrook	1.30% 1.30% fixed	1 year fixed No withdrawals	£1,000.00	Annually	15/02/2018	Details
Aldermore	1.25% 1.25% fixed	1 year fixed No withdrawals	£100.00	Maturity	29/01/2018	Details
United Trust Bank	1.25% 1.25% fixed	1 year fixed No withdrawals	£5,000.00	Maturity	01/02/2018	Details
Metro Bank PLC	0.95% 0.95% fixed	1 year fixed No withdrawals	£500.00	Maturity	25/01/2018	Details
Goldman Sachs International Bank	0.67% 0.67% fixed	1 year fixed No withdrawals	£5,000.00	Maturity	30/01/2018	Details
Metro Bank PLC	1.05% 1.05% fixed	18 months fixed No withdrawals	£500.00	Maturity	25/01/2018	Details
Goldman Sachs International Bank	0.81% 0.81% fixed	18 months fixed No withdrawals	£5,000.00	Maturity	30/01/2018	Details
Coventry Building Society	1.30% 1.30% fixed	23 months fixed No withdrawals	£1.00	Annually	06/02/2018	Details
Metro Bank PLC	1.25% 1.25% fixed	3 years fixed No withdrawals	£500.00	Maturity	25/01/2018	Details
United Trust Bank	1.95% 1.95% fixed	5 years fixed No withdrawals	£5,000.00	Annually	01/02/2018	Details

SUMMARY AND OUTLOOK

- Significant market opportunity
- Clear strategy focused around client service, capability and growth
- Executing well during the first half
- Confident in prospects

Q&A

HL

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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.