

# DATA PACK 2022

Interim Results

HARGREAVES  
LANSDOWN

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# SUMMARY INCOME STATEMENT

ALL FIGURES IN € MILLIONS		H1 2022	H1 2021	FY 2021
Revenue	-3%	<b>291.1</b>	299.5	631.0
Fair value gains on derivatives		<b>0.0</b>	0.6	0.6
Staff costs	+33%	<b>(73.7)</b>	(55.5)	(119.8)
Other Operating costs	+18%	<b>(66.2)</b>	(56.1)	(132.3)
FSCS costs		-	(0.4)	(13.9)
Operating profit	-20%	<b>151.2</b>	188.1	365.6
Finance income	-50%	<b>0.4</b>	0.8	1.4
Finance costs	-20%	<b>(0.4)</b>	(0.5)	(1.0)
Profit before tax	-20%	<b>151.2</b>	188.4	366.0
Strategic costs	-	<b>12.3</b>	-	-
Underlying profit before tax <sup>1</sup>	-13%	<b>163.5</b>	188.4	366.0
Tax	-20%	<b>(29.2)</b>	(36.4)	(69.7)
Profit for the period	-20%	<b>122.0</b>	152.0	296.3
Diluted earnings per share (pence)	-20%	<b>25.7</b>	32.1	62.5
Underlying diluted earnings per share (pence) <sup>1</sup>	-13%	<b>27.8</b>	32.1	62.5

(1) Underlying profit before tax and underlying diluted earnings per share are new alternative performance measures which exclude the impact of strategic investment spend of £12.3m in the period. Prior period comparatives are provided on the same basis as they were reported prior to the introduction of the new alternative performance measures.

# GROUP REVENUE ANALYSIS

ALL FIGURES IN € MILLIONS		H1 2022	H1 2021	FY 2021
Platform fees (1)	+21%	<b>133.2</b>	109.7	232.9
Net renewal income (1)	-	<b>2.6</b>	2.6	5.2
Management fees (1)	+23%	<b>17.6</b>	14.3	30.7
HL Fund AMC (1)	+7%	<b>31.4</b>	29.4	60.7
Stockbroking income (2)	-15%	<b>86.2</b>	101.0	231.6
Interest receivable (1)	-64%	<b>12.0</b>	33.4	51.9
On-going adviser charges (1)	-4%	<b>4.3</b>	4.5	9.0
Adviser charges (2)	-10%	<b>2.6</b>	2.9	6.3
Other Income (2)	-29%	<b>1.2</b>	1.7	2.7
Total revenue	-3%	<b>291.1</b>	299.5	631.0
Less commission payable (1)		-	-	-
<b>Total revenue</b>	<b>-3%</b>	<b>291.1</b>	299.5	631.0

		H1 2022	H1 2021	FY 2021
(1) Ongoing revenue	+4%	<b>201.1</b>	193.8	390.5
(2) Transactional revenue	-15%	<b>90.0</b>	105.7	240.5
<b>Total revenue</b>	<b>-3%</b>	<b>291.1</b>	299.5	631.0

# REVENUE MARGINS

	H1 2022			H1 2021		
	Revenue £m	Ave Assets £bn	Margin bps	Revenue £m	Ave Assets £bn	Margin bps
Renewal income (net of loyalty bonus)	-			-		
Platform fee	133.2			109.7		
<b>Total revenue from funds</b>	<b>133.2</b>	<b>68.1</b>	<b>39</b>	<b>109.7</b>	<b>54.2</b>	<b>40</b>
Stockbroking commission	84.2			98.9		
Management fees	17.6			14.3		
<b>Total revenue from other stock</b>	<b>101.8</b>	<b>54.5</b>	<b>37</b>	<b>113.2</b>	<b>39.9</b>	<b>56</b>
<b>Total revenue from cash</b>	<b>11.3</b>	<b>12.8</b>	<b>18</b>	<b>32.8</b>	<b>13.2</b>	<b>50</b>
<b>HL Funds<sup>1</sup></b>	<b>31.4</b>	<b>9.1</b>	<b>69</b>	<b>29.4</b>	<b>8.0<sup>2</sup></b>	<b>73</b>
Double-count <sup>2</sup>	-	(9.0)	-	-	(8.0)	-
	277.7	135.5	41	285.1	107.3	52
Other income <sup>3</sup>	13.4	3.5 <sup>4</sup>		14.4	2.5 <sup>4</sup>	
<b>Total revenue</b>	<b>291.1</b>	<b>139.0</b>		<b>299.5</b>	<b>109.8</b>	

1 Annual management charge on HL Funds.

2 HL Funds AUM included in Funds AUA for platform fee and in HL Funds for annual management charge. Total average AUA excludes HL Fund AUM to avoid double counting.

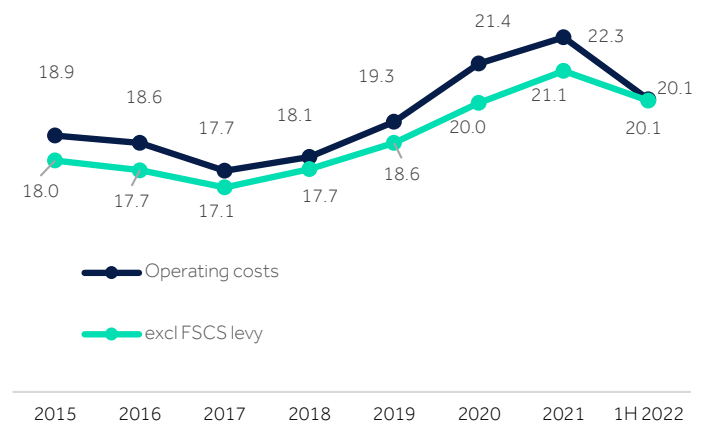
3 Other income includes advisory fees, FundsLibrary revenues, Active Savings and ancillary services (e.g. annuity broking, distribution of VCTs and Hargreaves Lansdown Currency and Market Services).

4 Average cash held via Active Savings.

# STATUTORY COSTS

		H1 2022	H1 2021	FY 2021
Staff costs	+33%	<b>£73.6m</b>	£55.5m	£119.8m
Marketing and distribution spend	-13%	<b>£9.1m</b>	£10.5m	£28.3m
Depreciation and amortisation	+1%	<b>£7.5m</b>	£7.4m	£16.2m
Activity Costs	-16%	<b>£13.6m</b>	£16.1m	£35.6m
Third party data & technology costs	+38%	<b>£13.9m</b>	£10.1m	£22.8m
Other costs	+85%	<b>£22.2m</b>	£12.0m	£29.4m
FSCS levy costs		<b>£0.0m</b>	£0.4m	£13.9m
<b>Total operating costs</b>	<b>+25%</b>	<b>£139.9m</b>	£112.0m	£266.0m
Ave. no of staff (FTE)	+14%	<b>1,939</b>	1,701	1,776
No of staff at end of period (FTE)	+13%	<b>1,968</b>	1,742	1,842

Group Cost Ratio\* (bps) FY 2015 to 1H 2022



\*Cost ratio is measured as operating costs (including & excluding the FSCS levy), divided by average monthly AUA

# UNDERLYING COSTS

		H1 2022	H1 2021
Staff costs	22%	£67.6m	£55.5m
Marketing	-13%	£9.1m	£10.5m
Depreciation, amortisation & financial costs	1%	£7.5m	£7.4m
Activity Costs	-16%	£13.6m	£16.1m
Third party data & tech	11%	£11.2m	£10.1m
Other costs	55%	£18.6m	£12.0m
Operating costs (pre-FSCS)	14%	£127.6m	£111.6m
FSCS levy costs		-	£0.4m
<b>Total operating costs</b>	14%	<b>£127.6m</b>	<b>£112.0m</b>

- Underlying costs measure the costs of running HL before the strategic investment programme
  - Strategic spend in H1 22 was £12.3m (£6.0m in staff costs, £2.7m in third party & tech and £3.6m in other costs).

# DIVIDENDS (PENCE PER SHARE)





# TOTAL ASSETS UNDER ADMINISTRATION

	FY 2022 H1	FY 2021	FY 2021 H2	FY 2021 H1	FY 2020	FY 2020 H2	FY 2020 H1
	£bn	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	135.5	<b>104.0</b>	120.6	104.0	<b>99.3</b>	105.2	99.3
Underlying net new business	2.3	<b>8.7</b>	5.5	3.2	<b>7.7</b>	5.4	2.3
Market movement & other	3.4	<b>22.8</b>	9.4	13.4	<b>(3.0)</b>	(6.6)	3.6
AUA at end of period	141.2	<b>135.5</b>	135.5	120.6	<b>104.0</b>	104.0	105.2
Net new business inflow %*	3%	<b>8%</b>	9%	6%	<b>8%</b>	10%	5%

\* Half year net new business flows have been annualised.

# ASSETS BY PRODUCT AND ASSET TYPE

VANTAGE	SIPP <sup>2</sup>	ISA	FUND & SHARE <sup>3</sup>	TOTAL H1 2022	H1 2021	FY 2021	CLOSING AUA H1 2022	VANTAGE	ACTIVE SAVINGS	PMS	TOTAL
	£bn	£bn	£bn	£bn	£bn	£bn		£bn	£bn	£bn	£bn
AUA at start of period	42.5	53.8	33.2	<b>129.5</b>	99.0	99.0					
Net new business	0.3	0.5	1.0	<b>1.9</b>	2.7	8.1	Funds	66.4		2.6	<b>69.0</b>
Market movement & other <sup>1</sup>	1.3	1.4	0.6	<b>3.3</b>	13.1	22.7	Shares	55.2		-	<b>55.2</b>
Founder Transfers				-	-	(0.3)	Cash	13.1	3.8	0.1	<b>17.0</b>
AUA at end of period	44.1	55.7	34.9	<b>134.7</b>	114.8	129.5	Closing AUA	134.7	3.8	2.7	<b>141.2</b>
Net new business inflow %*	2%	2%	6%	<b>3%</b>	5%	8%					
Market movement %*	6%	5%	4%	<b>5%</b>	26%	23%					

1 Market movement includes other growth factors, such as retained investment income, totalling £580m (FY 2021: £916m, H1 2021: £436m).

2 Vantage SIPP AUA includes £10,195m income drawdown assets at 31 December 2021 (30 June 2021: £9,731m, 31 December 2020: £8,807m)

3 Vantage Fund & Share Account includes £1.6bn as at 31 December 2021 (30 June 2021 £1.9bn, 31 December 2020: £2.3bn) of Hargreaves Lansdown plc shares.

\* Half year net new business flows and market movement have been annualised.

# VANTAGE SPLIT BY ASSET CLASS

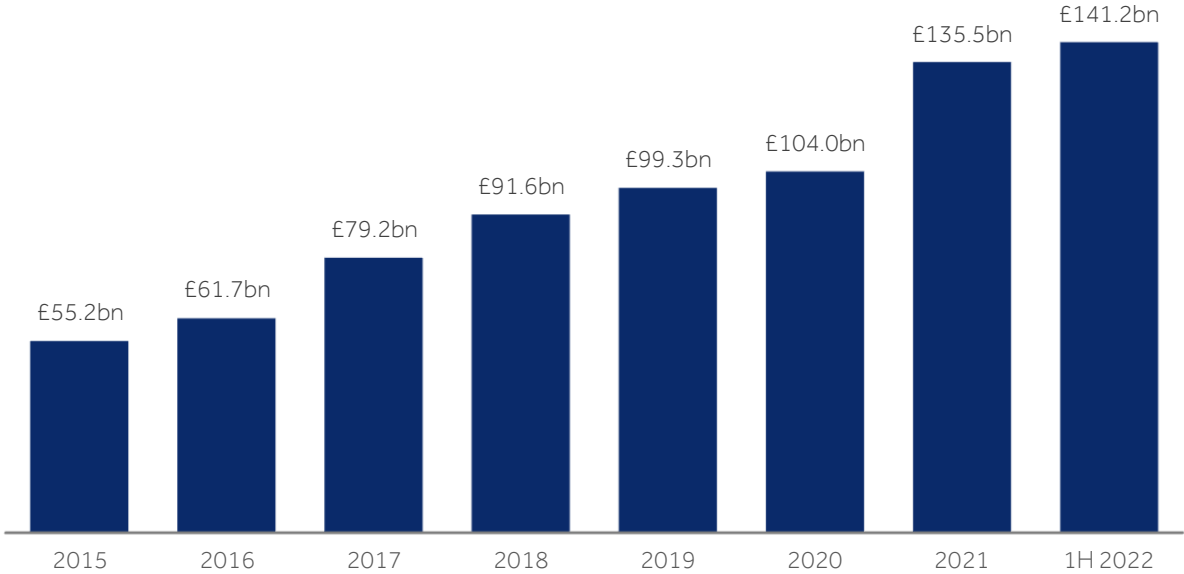
	SIPP	ISA	F&S/Other	Total
<b>At 31 December 2021</b>				
Stocks and shares	31%	36%	61%	<b>41%</b>
Investment funds	56%	56%	31%	<b>49%</b>
Cash	13%	8%	8%	<b>10%</b>
<b>% of Vantage</b>	<b>33%</b>	<b>41%</b>	<b>26%</b>	<b>100%</b>
<b>AUA (£m)</b>	<b>44.1</b>	<b>55.7</b>	<b>34.9</b>	<b>134.7</b>
<b>At 30 June 2021</b>				
Stocks and shares	31%	36%	62%	<b>41%</b>
Investment funds	56%	55%	31%	<b>49%</b>
Cash	13%	9%	7%	<b>10%</b>
<b>% of Vantage</b>	<b>33%</b>	<b>41%</b>	<b>26%</b>	<b>100%</b>
<b>AUA (£m)</b>	<b>42.5</b>	<b>53.8</b>	<b>33.2</b>	<b>129.5</b>

# VANTAGE OTHER INFORMATION

	SIPP	ISA	F&S/Other	Total	H1 2021	FY 2021
Total No. of equity deals* ('000)	1,260	2,594	1,456	<b>5,310</b>	<b>6,495</b>	<b>14,439</b>
Total client share deals ('000)	1,098	2,116	1,252	<b>4,466</b>	<b>5,896</b>	<b>13,122</b>
% online (of client share deals)	99%	99%	99%	<b>99%</b>	<b>99%</b>	<b>99%</b>
No. of fund deals ('000)	2,853	4,459	765	<b>8,078</b>	<b>7,529</b>	<b>16,396</b>
Average active client value at period end (£'000)	93.2	50.4	66.5	<b>80.2</b>	<b>77.4</b>	<b>79.4</b>
Average age (years)	47.7	44.1	54.4	<b>45.8</b>	<b>46.6</b>	<b>45.9</b>
Net new active accounts ('000)	16	34	8	<b>59</b>	<b>100</b>	<b>284</b>
Total active accounts ('000)				<b>2,185</b>	<b>1,932</b>	<b>2,126</b>
Clients registered for online access				<b>93%</b>	<b>92%</b>	<b>93%</b>
Clients registered for paperless service				<b>80%</b>	<b>79%</b>	<b>80%</b>

\* Includes 844,000 automated share deals i.e. income reinvestment, fee sales and regular savings (H1 2021 : 599,000, FY 2021 : 1,316,000)

# GROWTH IN TOTAL AUA







Total AUA FY 2015 to Dec 2021 (£ billion)

	2015	2016	2017	2018	2019	2020	2021	1H 2022
<b>Market growth/other</b>	+5%	+1%	+17%	+6%	+0%	-3%	+22%	+5%
<b>Organic growth<sup>1</sup></b>	+13%	+11%	+11%	+10%	+8%	+8%	+8%	+3%
<b>Total growth in AUA</b>	+18%	+12%	+28%	+16%	+8%	+5%	+30%	+8%

<sup>1</sup> Organic growth based on net inflows as a % of opening AUA

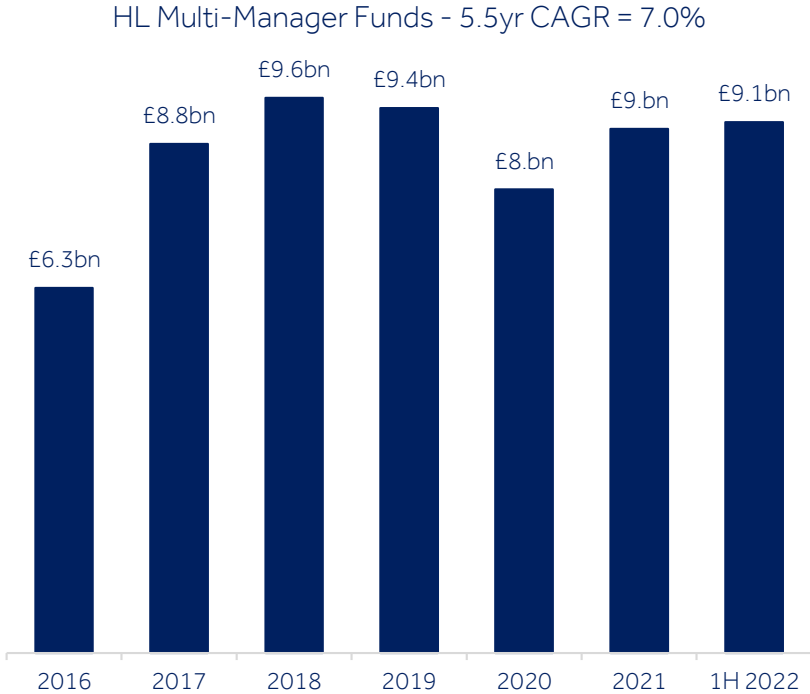
# HL WORKPLACE SOLUTIONS (PREVIOUSLY CORPORATE VANTAGE)

	As at 31 December 2021	As at 30 June 2021	% change	6 months increase in H1 2022	6 months increase in H1 2021
 Members*	151,629	141,780	<b>+7%</b>	9,849	5,805
 Schemes *	496	490	<b>+1%</b>	6	12
 Annual Premiums **	£501m	£467m	<b>+7%</b>	£34m	£25m
 AUA	£5,850m	£5,510m	<b>+6%</b>	£340m	£694m

\*Numbers relate to schemes either live or contracted.

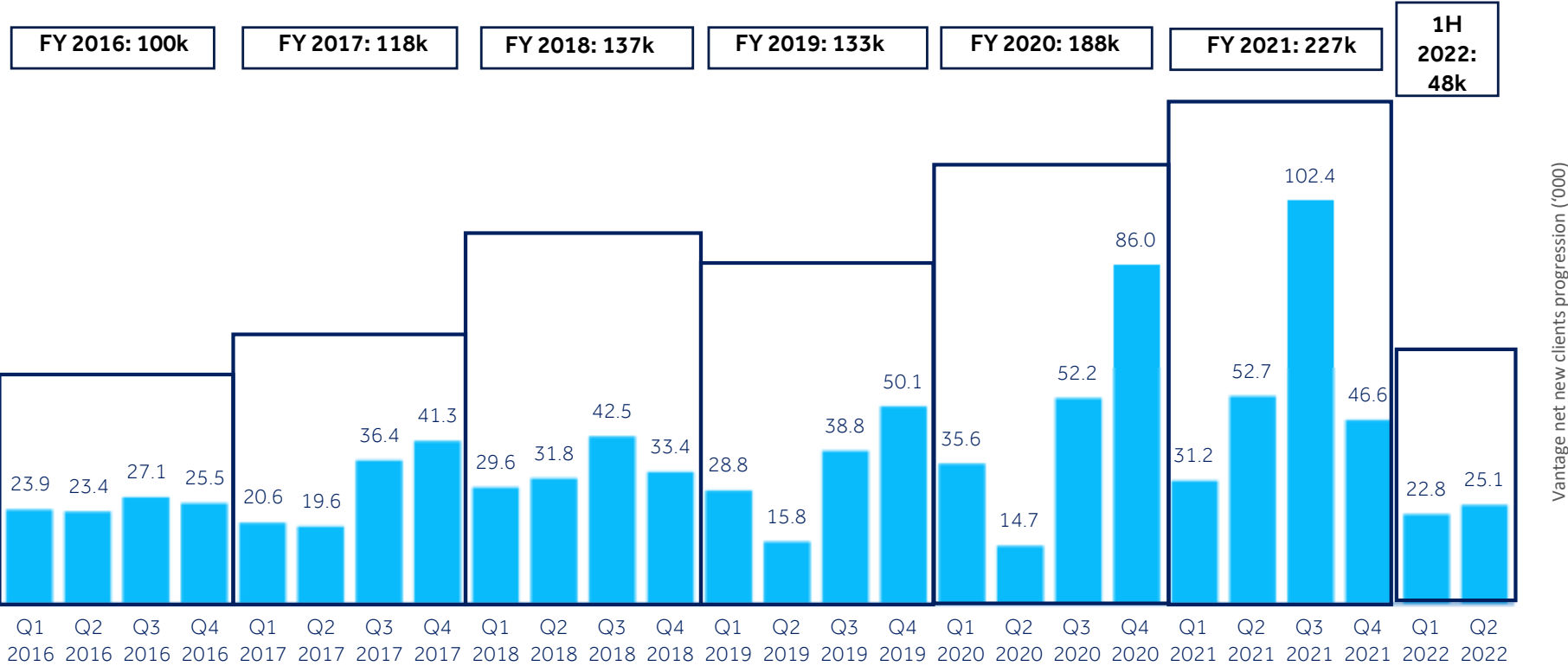
\*\*Only includes those annual premiums already being received.

# GROWTH IN HL FUNDS



HLMM FUNDS (£m)	DEC-21
Income & Growth	2,097
Special Situations	2,043
Balanced Managed	1,287
Strategic Bond	921
High Income	541
Equity & Bond	273
Asia & Emerging Markets	211
European	207
UK Growth	190
Strategic Assets	168
Growth Fund	2
<b>Multi-Manager Funds</b>	<b>7,941</b>
HL Select Global Growth Shares	700
HL Select UK Growth Shares	339
HL Select UK Income Shares	164
<b>Equity Funds</b>	<b>1,203</b>
<b>TOTAL</b>	<b>9,144</b>

# NET NEW CLIENTS

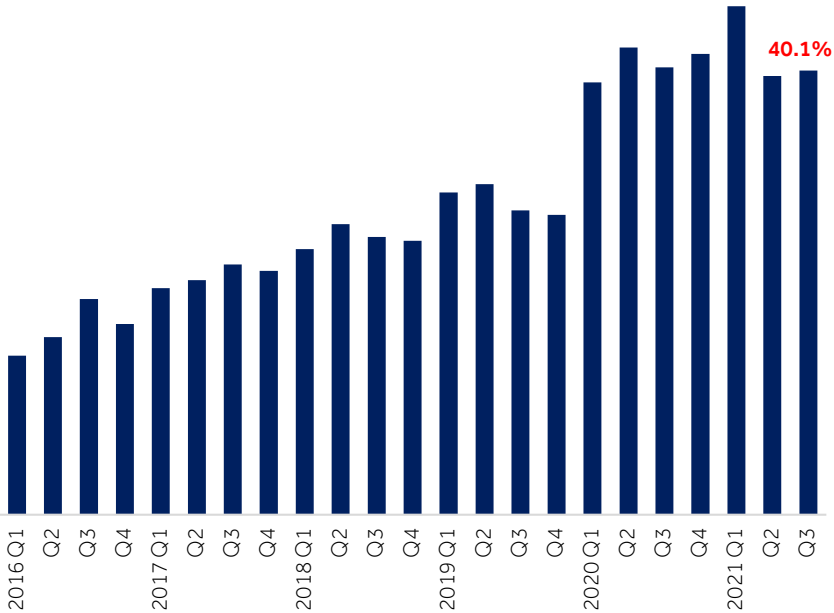


Vantage net new clients progression ('000)



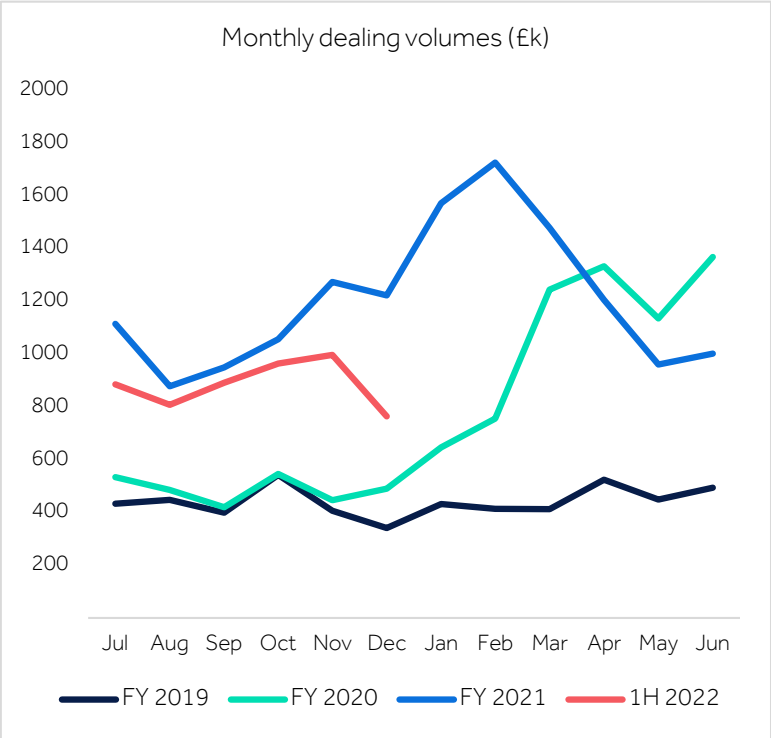
# STOCKBROKING VOLUMES

Execution-only market share

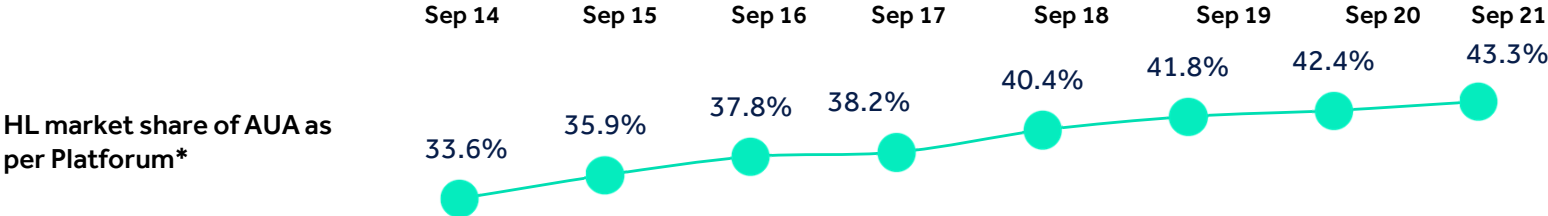


Source: Compeer XO Quarterly Benchmarking Report Quarter 3 2021

Monthly dealing volumes (£k)

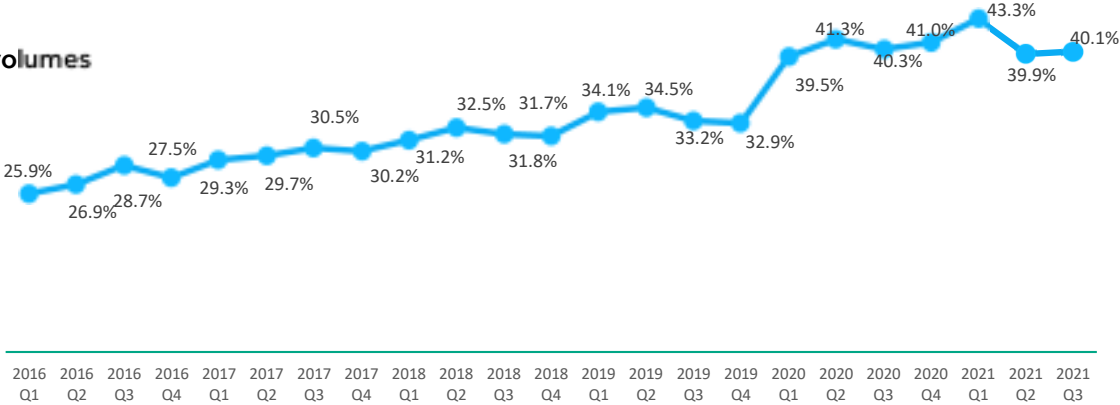


# MARKET SHARE STATISTICS



\* The Platform's UK D2C Market Overview (February 2022)

**HL UK stockbroking volumes vs XO peer group\*\***



\*\* Source: Compeer Quarterly Benchmarking Report – Q3 2021

# FORWARD-LOOKING STATEMENTS

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