

# Trading update

30 April 2024

Hargreaves Lansdown plc today issues a trading update in respect of the three months ended 31 March 2024.

## Highlights

- Good momentum into tax year end with increased gross inflows, net new clients and share dealing volumes.
- Net new business of £1.6 billion in the period and closing Assets under Administration (“AUA”) a record £149.7 billion.
- Net new clients of 34,000 in the period, up 48% year on year, taking us to 1,858,000 active clients.
- Revenue for the period of £199.7 million, up 6% (Q3 2023: £188.1m).

## Dan Olley, Chief Executive Officer, commented:

“On joining the business, one of the highest priorities I set was to recapture our service excellence, so I am delighted that we delivered a great service experience for our clients over tax year end despite receiving record volumes in calls and emails. We saw a significant rise in the service Net Promoter Score, up to +48 from +33.

“Our relentless focus on client service, making it easy to save and invest to ensure that we meet our clients’ needs has delivered clear results this quarter. We built good momentum into tax year end, and as a result have seen year-on-year increases of gross inflows and share dealing volumes in the quarter and net new business on a par with last year.

“We welcomed 34,000 net new clients in the quarter, reflecting the increasing popularity of our newer products such as ready-made pensions, our cash ISA offerings and Active Savings. A record number of clients contributed to their pensions in the tax year, with the average amount subscribed up by c22% and 270,000 of our clients now have an Active Savings account, resulting in Active Savings reaching the significant milestone of £10 billion in AUA since the end of the quarter.”

## Trading performance

- Net new business of £1.6 billion in the quarter (Q3 2023: £1.6bn), reflects 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 allowances. Active Savings continues to perform well and benefited from the launch of the first of its kind multi-bank cash ISA which provides clients with the full suite of Cash ISA products (fixed-term, easy access and limited access) from multiple banks.
- Net client growth of 34,000 in the quarter (Q3 2023: 23,000) driven by net new clients in the SIPP, ISA and Active Savings accounts. Client retention at 91.4% (Q3 2023: 92.0%) and asset retention at 88.0% (Q3 2023: 89.1%) continues to reflect the macroeconomic backdrop for those of our clients who need to make cash withdrawals.
- Share dealing volumes averaged 794,000 per month in the quarter (Q3 2023: 770,000) and an increase in volumes seen since the first half of the year, with overseas deal volumes representing 23.6% of total deals in the quarter (Q3 2023: 16.8%).
- As expected, client cash balances increased during the quarter as clients contributed to their tax wrapped accounts ahead of the tax year-end deadline to £12.4 billion (Q3 2023: £13.5bn)
- Total revenue in the quarter of £199.7 million (Q3 2023: £188.1m) benefits from increased dealing volumes and higher platform revenue from higher AUA levels, more than offsetting the year on year reduction in revenue on cash from lower NIM and cash balances.

Looking ahead to the remainder of the financial year, we are pleased to see momentum continue into April as clients take advantage of the benefits of investing at the start of the tax year.

We continue to make good progress against our priorities for the year - improving our client proposition, controlling our costs and increasing our execution pace so that we can capitalise on the significant growth opportunities that lie ahead and create value for all our stakeholders.

## Financial calendar

A fourth quarter trading update will be issued on 19<sup>th</sup> July 2024 and then the full year results will be issued on 9<sup>th</sup> August 2024. Our Annual General Meeting is set for 22<sup>nd</sup> October 2024.

**Contacts:****Investors**

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

**Media**

Danny Cox, Head of Communications  
+44(0)7989 672071  
Lucy Thomas, Corporate Affairs Director  
+44 (0)777 9639460

**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 and share dealing volumes

Key metrics	3 months to 31 March 2024	3 months to 31 December 2023	3 months to 30 September 2023	3 months to 30 June 2023	3 months to 31 March 2023
Revenue (£m)	199.7	184.4	183.8	197.0	188.1
Net new clients	34,000	12,000	8,000	13,000	23,000
Total active clients	1,858,000	1,824,000	1,812,000	1,804,000	1,791,000
Client Retention Rate (%)	91.4	91.6	91.7	92.0	92.0
Asset Retention Rate (%)	88.0	89.3	89.0	89.7	89.1
Share dealing volumes per month	794,000	672,000	634,000	685,000	770,000

## Assets under administration

AUA (£billion)	3 months to 31 March 2024	3 months to 31 December 2023	3 months to 30 September 2023	3 months to 30 June 2023	3 months to 31 March 2023
Opening AUA	142.2	134.8	134.0	132.0	127.1
Net new business - platform	0.9	(0.2)	(0.1)	0.9	0.9
Net new business – Active Savings	0.7	0.6	0.7	0.8	0.7
Total net new business	1.6	0.4	0.6	1.7	1.6
Market movements and other	5.9	7.0	0.2	0.3	3.3
Closing AUA	149.7	142.2	134.8	134.0	132.0

Closing AUA (£billion)	As at 31 March 2024	As at 31 December 2023	As at 30 September 2023	As at 30 June 2023	As at 31 March 2023
Funds	68.8	65.1	61.9	62.2	61.6
Shares	58.5	55.8	51.9	50.8	49.8
Cash	12.4	12.1	12.4	13.1	13.5
HL Funds	9.8	9.2	8.7	8.7	8.6
Active Savings	9.9	9.1	8.5	7.8	7.0
Double count <sup>1</sup>	(9.7)	(9.1)	(8.6)	(8.6)	(8.5)
Total	149.7	142.2	134.8	134.0	132.0

Average AUA (£billion)	3 months to 31 March 2024	3 months to 31 December 2023	3 months to 30 September 2023	3 months to 30 June 2023	3 months to 31 March 2023
Funds	66.9	62.3	62.6	62.1	61.8
Shares	56.4	52.9	52.2	50.4	50.1
Cash	12.2	12.1	12.5	13.4	13.6
HL Funds	9.5	8.8	8.8	8.7	8.6
Active Savings	9.6	8.9	8.3	7.5	6.8
Double count <sup>1</sup>	(9.4)	(8.7)	(8.7)	(8.6)	(8.5)
Total	145.2	136.3	135.7	133.5	132.4

<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.