

# DATA PACK 2018

Full Year Results

HARGREAVES  
LANSDOWN

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# SUMMARY INCOME STATEMENT

ALL FIGURES IN €MILLIONS		FY 2018	FY 2017	FY 2016
Revenue	+16%	<b>447.6</b>	385.7	388.3
Commission payable	%	<b>(0.1)</b>	(0.1)	(61.8)
Net revenue	+16%	<b>447.5</b>	385.6	326.5
Fair value gains on derivatives	+5%	<b>2.3</b>	2.2	-
Staff costs	+27%	<b>(87.4)</b>	(68.6)	(60.2)
Other Operating costs	+26%	<b>(67.8)</b>	(53.9)	(42.6)
FSCS costs	-17%	<b>(3.5)</b>	(4.2)	(5.5)
Operating profit	+11%	<b>291.1</b>	261.1	218.3
Investment revenue and other gains*	-72%	<b>1.3</b>	4.7	0.6
Profit before tax	+10%	<b>292.4</b>	265.8	218.9
Tax	+4%	<b>(55.7)</b>	(53.8)	(41.6)
Profit for the financial year	+12%	<b>236.7</b>	212.0	177.3
Basic earnings per share (pence)	+11%	<b>49.7</b>	44.7	37.4
Diluted earnings per share (pence)	+11%	<b>49.6</b>	44.6	37.3

\* Investment revenue in FY 2017 includes a £3.7m one-off gain on disposal of a holding in Euroclear plc.

# GROUP NET REVENUE ANALYSIS

ALL FIGURES IN €MILLIONS		FY 2018	FY 2017	FY 2016
Platform fees (1)	+17%	<b>198.0</b>	169.3	139.4
Net renewal income (1)	-11%	<b>5.6</b>	6.3	15.1
Management fees (1)	+14%	<b>32.1</b>	28.2	25.5
HL Fund AMC (1)	+19%	<b>67.2</b>	56.5	44.1
Stockbroking income (2)	+18%	<b>72.6</b>	61.6	46.8
Interest receivable (1)	+15%	<b>42.1</b>	36.6	31.2
Adviser charges (2)	+10%	<b>12.1</b>	11.0	10.5
Funds Library (3)	+15%	<b>8.6</b>	7.5	6.2
Other Income (2)	+7%	<b>9.3</b>	8.7	7.7
<b>Total revenue</b>	<b>+16%</b>	<b>447.6</b>	385.7	326.6
Less commission payable (1)		<b>(0.1)</b>	(0.1)	(0.1)
<b>Total net revenue</b>	<b>+16%</b>	<b>447.5</b>	<b>385.6</b>	<b>326.5</b>
		<b>FY 18</b>	FY 2017	FY 2016
(1) Net recurring revenue	+16%	<b>344.9</b>	296.9	255.3
(2) Transactional revenue	+16%	<b>94.0</b>	81.2	65.0
(3) Other revenue	+15%	<b>8.6</b>	7.5	6.2
<b>Total net revenue</b>	<b>+16%</b>	<b>447.5</b>	<b>385.6</b>	<b>326.5</b>

# NET REVENUE MARGINS

	FY 2018			FY 2017		
	Revenue £m	Ave Assets £bn	Margin bps	Revenue £m	Ave Assets £bn	Margin bps
Renewal income (net of loyalty bonus)	-			(0.1)		
Platform fee	198.0			169.3		
<b>Total net revenue from funds</b>	<b>198.0</b>	<b>48.4</b>	<b>41</b>	<b>169.2</b>	<b>40.9</b>	<b>41</b>
Stockbroking commission	69.4			59.2		
Management fees	20.2			17.1		
<b>Total revenue from other stock</b>	<b>89.6</b>	<b>28.3</b>	<b>32</b>	<b>76.3</b>	<b>23.3</b>	<b>33</b>
<b>Total revenue from cash</b>	<b>42.1</b>	<b>8.8</b>	<b>48</b>	<b>36.6</b>	<b>7.5</b>	<b>49</b>
<b>HL Funds<sup>1</sup></b>	<b>67.2</b>	<b>9.1<sup>2</sup></b>	<b>74</b>	<b>56.5</b>	<b>7.7<sup>2</sup></b>	<b>73</b>
	396.9	85.5	46	338.6	71.7	47
Other income <sup>3</sup>	50.6			47.0		
<b>Total revenue</b>	<b>447.5</b>			<b>385.6</b>		

1 Annual management charge on HL Funds.

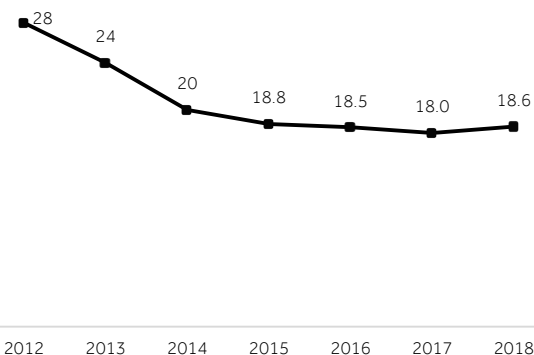
2 HL Funds AUM included in Funds AUA for platform fee and in HL Funds for annual management charge. Total average AUA excludes HL Fund AUM to avoid double counting.

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

# COSTS

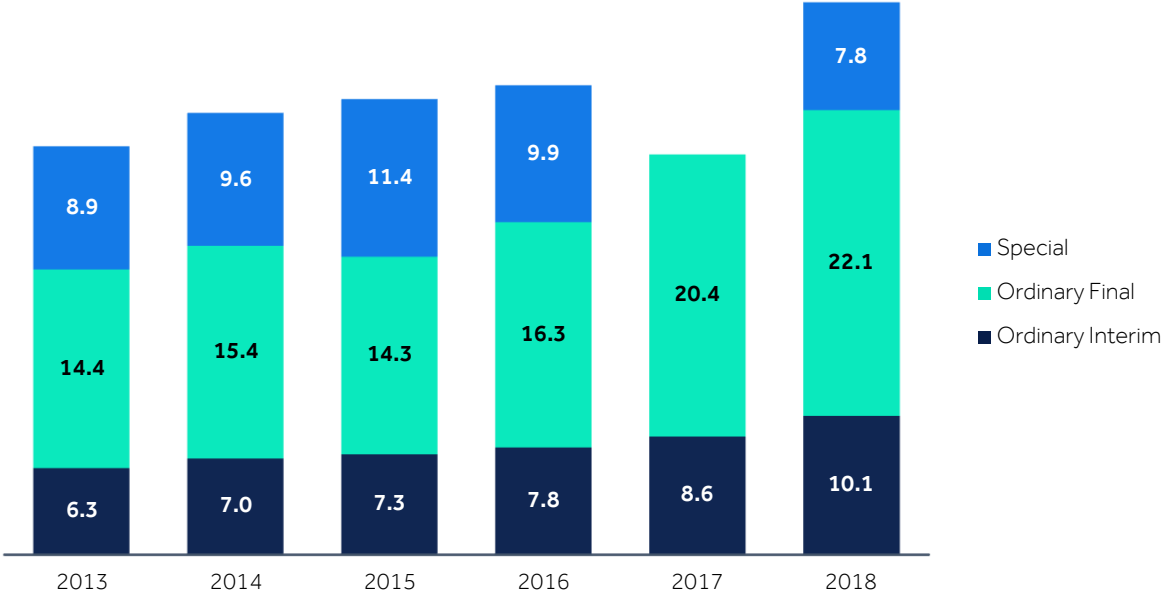
		FY 2018	FY 2017	FY 2016
Staff costs	+27%	<b>£87.4m</b>	£68.6m	£60.2m
Marketing and distribution spend	+14%	<b>£16.3m</b>	£14.3m	£11.2m
Depreciation, amortisation & financial costs	+14%	<b>£10.3m</b>	£9.0m	£6.1m
Office running costs	+48%	<b>£6.2m</b>	£4.2m	£4.8m
Other costs	+33%	<b>£35.0m</b>	£26.4m	£20.4m
FSCS levy costs	-17%	<b>£3.5m</b>	£4.2m	£5.5m
<b>Total operating costs</b>	<b>+25%</b>	<b>£158.7m</b>	<b>£126.7m</b>	<b>£108.3m</b>
Ave. no of staff (FTE)	+34%	<b>1,398</b>	1,043	969
No of staff at end of period (FTE)	+26%	<b>1,499</b>	1,185	942

Group Cost Ratio\* (bps) FY 2012 to FY 2018



\*Cost ratio is measured as operating costs, divided by average AUA

# DIVIDENDS (PENCE PER SHARE)



# TOTAL ASSETS UNDER ADMINISTRATION

	FY 2018	FY 2018 H2	FY 2018 H1	FY 2017	FY 2017 H2	FY 2017 H1	FY 2016	FY 2016 H2	FY 2016 H1
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	79.2	86.1	79.2	61.7	70.0	61.7	55.2	58.8	55.2
Underlying net new business*	7.6	4.3	3.3	6.9	4.6	2.3	6.0	3.2	2.8
Market movement & other	5.9	1.4	4.6	10.6	4.6	6.0	0.5	(0.3)	0.8
Founder transfers*	(1.1)	(0.1)	(1.0)	-	-	-	-	-	-
AUA at end of period	91.6	91.6	86.1	79.2	79.2	70.0	61.7	61.7	58.8
Net new business inflow %**	10%	10%	8%	11%	13%	7%	11%	11%	10%

\* Underlying net new business excludes the transfer off the Vantage platform of £902 million of Hargreaves Lansdown plc shares and the withdrawal of £188 million of Hargreaves Lansdown plc placing proceeds during the period that were held by a founder.

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



# ASSETS BY PRODUCT AND ASSET TYPE

VANTAGE	SIPP <sup>3</sup>	ISA	FUND & SHARE <sup>4</sup>	TOTAL FY 2018	FY 2017	FY 2016	CLOSING AUA FY 2018	VANTAGE	PMS	TOTAL
	£bn	£bn	£bn	£bn	£bn	£bn		£bn	£bn	£bn
AUA at start of period	25.3	30.3	20.1	<b>75.7</b>	58.7	52.3	Funds	47.5	3.5	<b>51.0</b>
Underlying net new business <sup>1</sup>	2.7	3.3	1.5	<b>7.6</b>	6.8	5.9	Shares	31.0	-	<b>31.0</b>
Market movement & other <sup>2</sup>	1.5	1.8	2.5	<b>5.8</b>	10.1	0.5	Cash	9.5	0.1	<b>9.6</b>
Founder transfers <sup>1</sup>	-	-	(1.1)	<b>(1.1)</b>	-	-	Closing AUA	88.0	3.6	<b>91.6</b>
AUA at end of period	29.5	35.4	23.0	<b>88.0</b>	75.7	58.7				
Net new business inflow %**	11%	11%	7%	<b>10%</b>	12%	11%				
Market movement %	6%	6%	12%	<b>8%</b>	17%	1%				

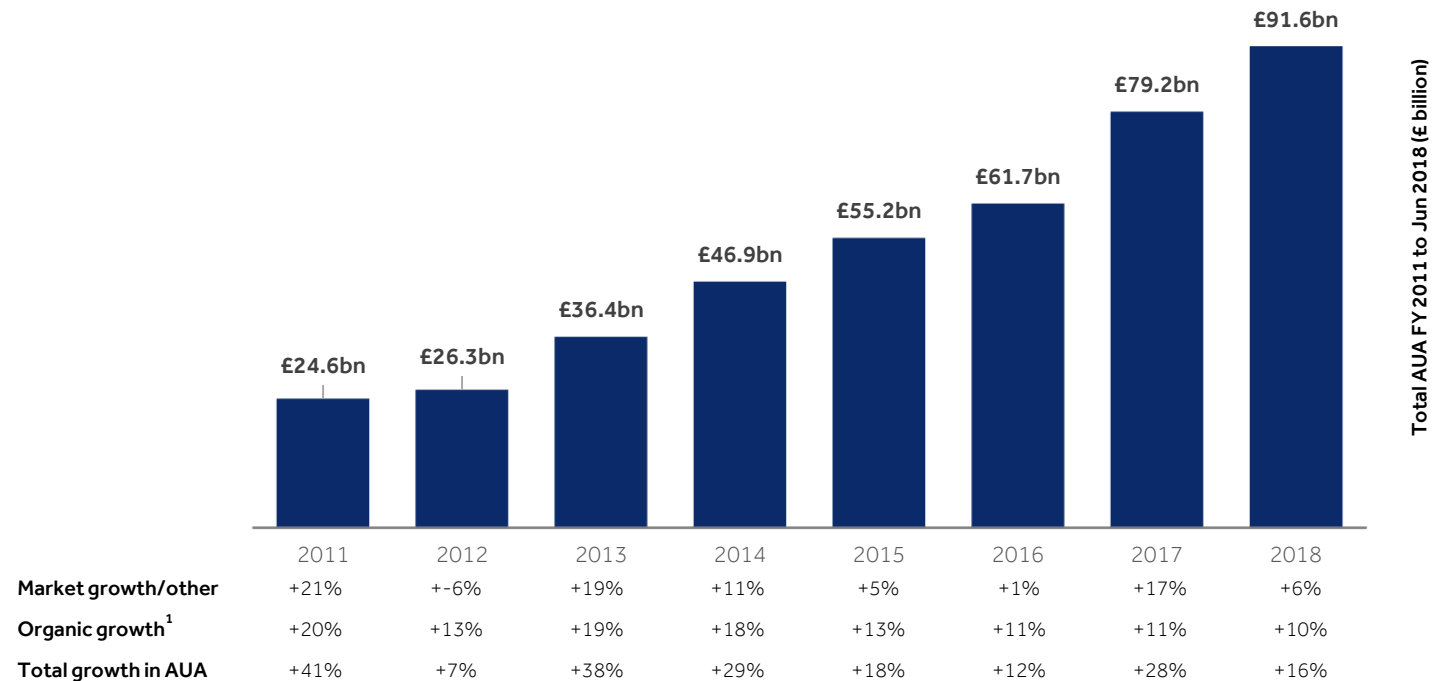
1 Underlying net new business excludes the transfer off the Vantage platform of £902 million of Hargreaves Lansdown plc shares and the withdrawal of £188 million of Hargreaves Lansdown plc placing proceeds during the period that were held by a founder.

2 Market movement includes other growth factors, such as retained investment income, totalling £827m (FY 2017: £734m, FY 2016: £595m).

3 Vantage SIPP AUA includes £6,678m income drawdown assets at 30 June 2018 (30 June 2017: £5,626m, 30 June 2016: £4,211m)

4 Vantage Fund & Share Account includes £3.7bn as at 30 June 2018 (30 June 2017 £3.4bn, 30 June 2016: £3.2bn) of Hargreaves Lansdown plc shares.





# GROWTH IN TOTAL AUA



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

# HL WORKPLACE SOLUTIONS (PREVIOUSLY CORPORATE VANTAGE)

Strong growth in assets

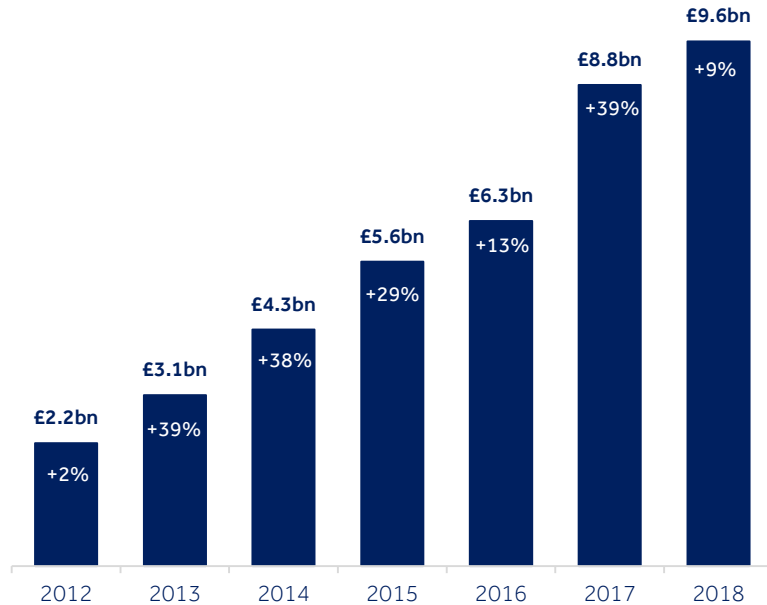
	As at 30 June 2018	As at 30 June 2017	% change	12 months increase in FY 2018	12 months increase in FY 2017
 Members*	99,809	82,005	<b>+22%</b>	17,804	13,445
 Schemes *	425	387	<b>+10%</b>	38	52
 Annual Premiums **	£314m	£271m	<b>+16%</b>	£43m	£27m
 AUA	£3,120m	£2,493m	<b>+25%</b>	£627m	£728m

\*Numbers relate to schemes either live or contracted.

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

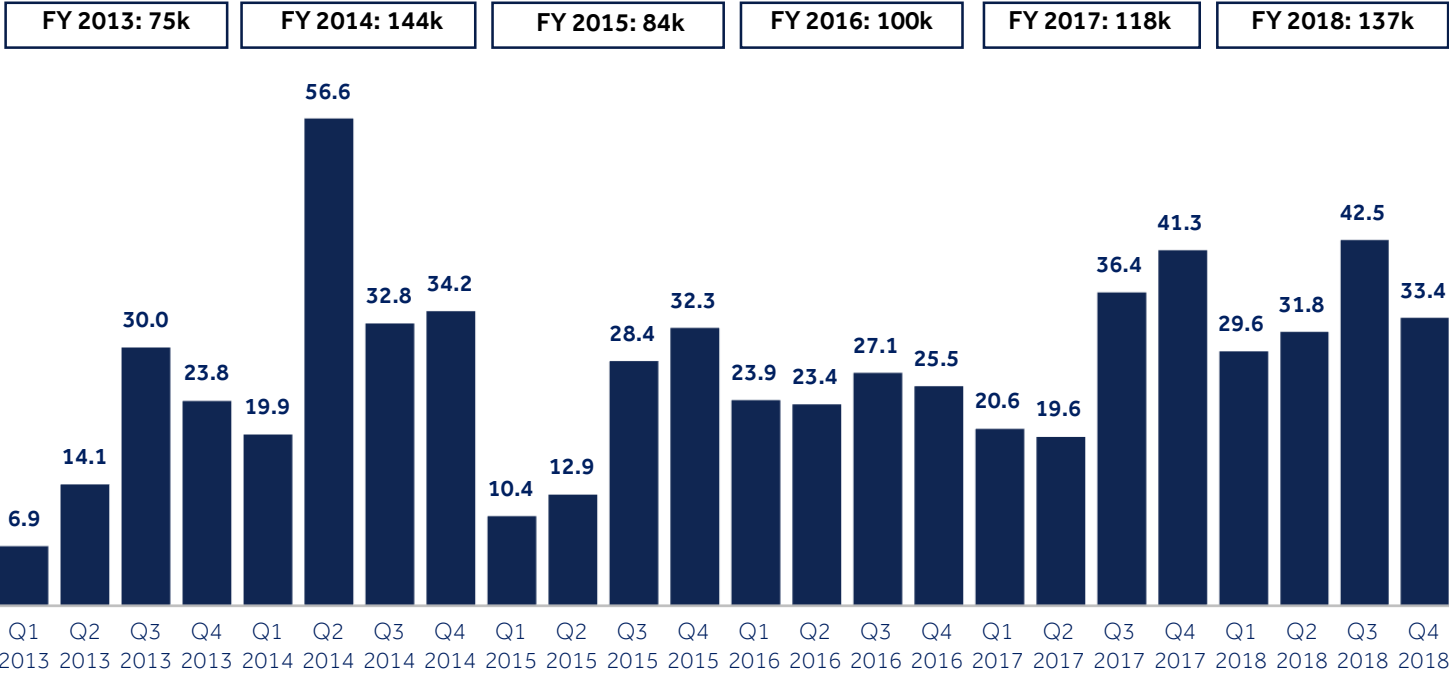
# GROWTH IN HL FUNDS

HL Multi-Manager Funds - 5yr CAGR = 25%



HLMM FUNDS (£m)	JUN-18
Income & Growth	3,260
Special Situations	1,832
Balanced Managed	1,227
Strategic Bond	1,020
High Income	570
Equity & Bond	307
Asia & Emerging Markets	224
UK Growth	233
European	191
Strategic Assets	201
<b>Multi-Manager Funds</b>	<b>9,065</b>
HL Select UK Growth Shares	287
HL Select UK Income Shares	213
<b>Equity Funds</b>	<b>505</b>
<b>TOTAL</b>	<b>9,565</b>

# NET NEW CLIENTS

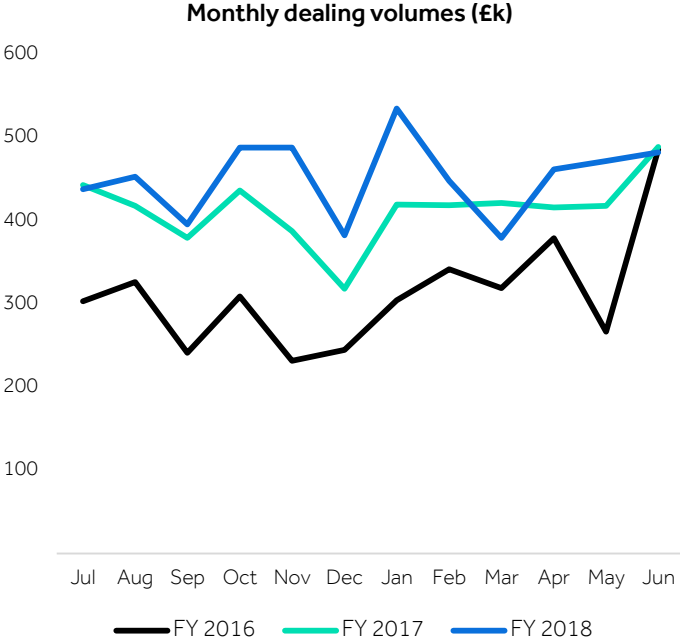


Vantage net new clients progression ('000)

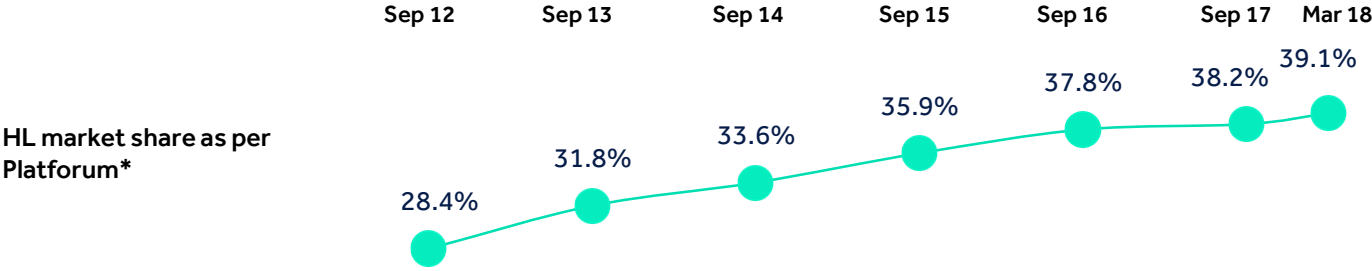
# STOCKBROKING VOLUMES



Source: Compeer XO Quarterly Benchmarking Report Quarter 1 2018

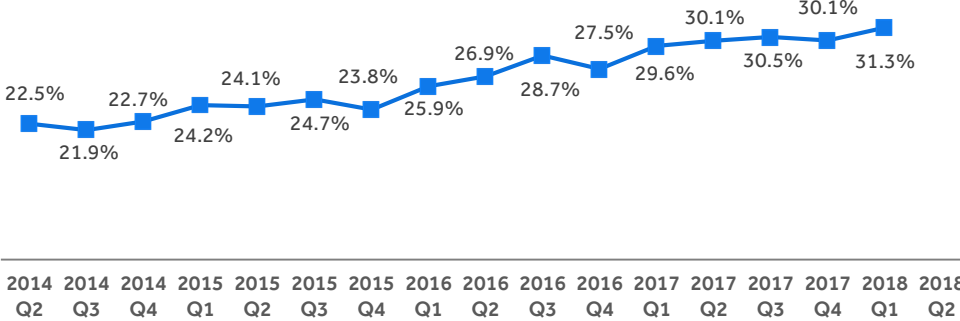


# MARKET SHARE STATISTICS



\* The Platform Direct Platform Guide Reports share of Assets Under Administration (July 2018)

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



\*\* Source: Compeer Quarterly Benchmarking Report – Q1 2018