

# DATA PACK 2020

Interim Results

HARGREAVES  
LANSDOWN

# INDEX

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# SUMMARY INCOME STATEMENT

ALL FIGURES IN € MILLIONS		H1 2020	H1 2019	FY 2019
Revenue	+9%	<b>257.9</b>	236.5	480.5
Commission payable		-	(0.1)	-
Net revenue	+9%	<b>257.9</b>	236.4	480.5
Fair value gains on derivatives		<b>1.0</b>	1.1	2.2
Staff costs	+2%	<b>(50.5)</b>	(49.5)	(97.2)
Other Operating costs	+5%	<b>(37.0)</b>	(35.3)	(75.4)
FSCS costs		<b>(1.7)</b>	(0.3)	(6.8)
Operating profit	+11%	<b>169.7</b>	152.4	303.1
Investment revenue and other gains	+33%	<b>1.6</b>	1.2	2.8
Finance costs		<b>(0.2)</b>	(0.2)	(0.3)
Profit before tax	+12%	<b>171.1</b>	153.4	305.8
Tax	+9%	<b>(31.8)</b>	(29.3)	(58.2)
Profit for the period	+12%	<b>139.3</b>	124.1	247.6
Basic earnings per share (pence)	+12%	<b>29.3</b>	26.1	52.1
Diluted earnings per share (pence)	+12%	<b>29.3</b>	26.1	52.0

# GROUP REVENUE ANALYSIS

ALL FIGURES IN € MILLIONS		H1 2020	H1 2019	FY 2019
Platform fees (1)	+6%	<b>109.6</b>	103.1	206.2
Net renewal income (1)	+4%	<b>2.7</b>	2.6	6.0
Management fees (1)	+10%	<b>11.9</b>	10.8	22.0
HL Fund AMC (1)	-2%	<b>33.9</b>	34.7	68.3
Stockbroking income (2)	+6%	<b>34.7</b>	32.8	67.1
Interest receivable (1)	+39%	<b>46.3</b>	33.3	73.5
On-going adviser charges (1)	-7%	<b>5.5</b>	5.9	11.5
Adviser charges (2)	+20%	<b>6.6</b>	5.5	10.8
Funds Library (3)	+12%	<b>4.8</b>	4.3	8.9
Other Income (2)	-46%	<b>1.9</b>	3.5	6.4
Total revenue	+9%	<b>257.9</b>	236.5	480.7
Less commission payable (1)		-	(0.1)	(0.2)
<b>Total net revenue</b>	<b>+9%</b>	<b>257.9</b>	236.4	480.5

		H1 2020	H1 2019	FY 2019
(1) Net recurring revenue	+10%	<b>209.9</b>	190.3	387.3
(2) Transactional revenue	+3%	<b>43.2</b>	41.8	84.3
(3) Other revenue	+12%	<b>4.8</b>	4.3	8.9
<b>Total net revenue</b>	<b>+9%</b>	<b>257.9</b>	<b>236.4</b>	<b>480.5</b>

# REVENUE MARGINS

	H1 2020			H1 2019		
	Revenue £m	Ave Assets £bn	Margin bps	Revenue £m	Ave Assets £bn	Margin bps
Renewal income (net of loyalty bonus)	-			0.1		
Platform fee	109.6			103.1		
<b>Total net revenue from funds</b>	<b>109.6</b>	<b>54.6</b>	<b>40</b>	<b>103.2</b>	<b>50.1</b>	<b>41</b>
Stockbroking commission	33.8			31.3		
Management fees	11.9			10.8		
<b>Total revenue from other stock</b>	<b>45.7</b>	<b>35.0</b>	<b>26</b>	<b>42.1</b>	<b>30.8</b>	<b>27</b>
<b>Total revenue from cash<sup>4</sup></b>	<b>46.0</b>	<b>11.2</b>	<b>82</b>	<b>33.2</b>	<b>9.9</b>	<b>67</b>
<b>HL Funds<sup>1</sup></b>	<b>33.9</b>	<b>9.2</b>	<b>73</b>	<b>34.7</b>	<b>9.3<sup>2</sup></b>	<b>74</b>
	235.2	100.9	47	213.2	90.8	47
Other income <sup>3</sup>	22.7	1.3 <sup>4</sup>		23.2	0.2 <sup>4</sup>	
<b>Total revenue</b>	<b>257.9</b>	<b>102.2</b>		<b>236.4</b>	<b>91.0</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.

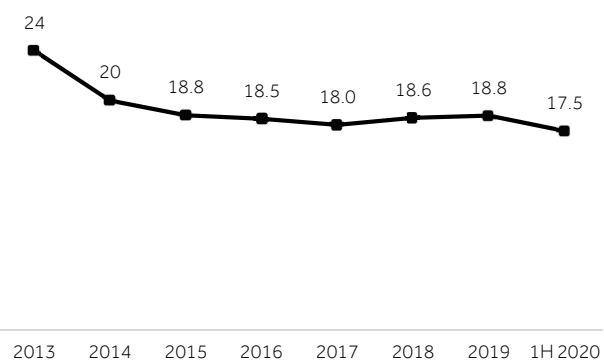
3 Other income includes advisory fees, FundsLibrary revenues, Active Savings and ancillary services (e.g. annuity broking, distribution of VCTs and Hargreaves Lansdown Currency and Market Services).

4 Average cash held via Active Savings.

# COSTS

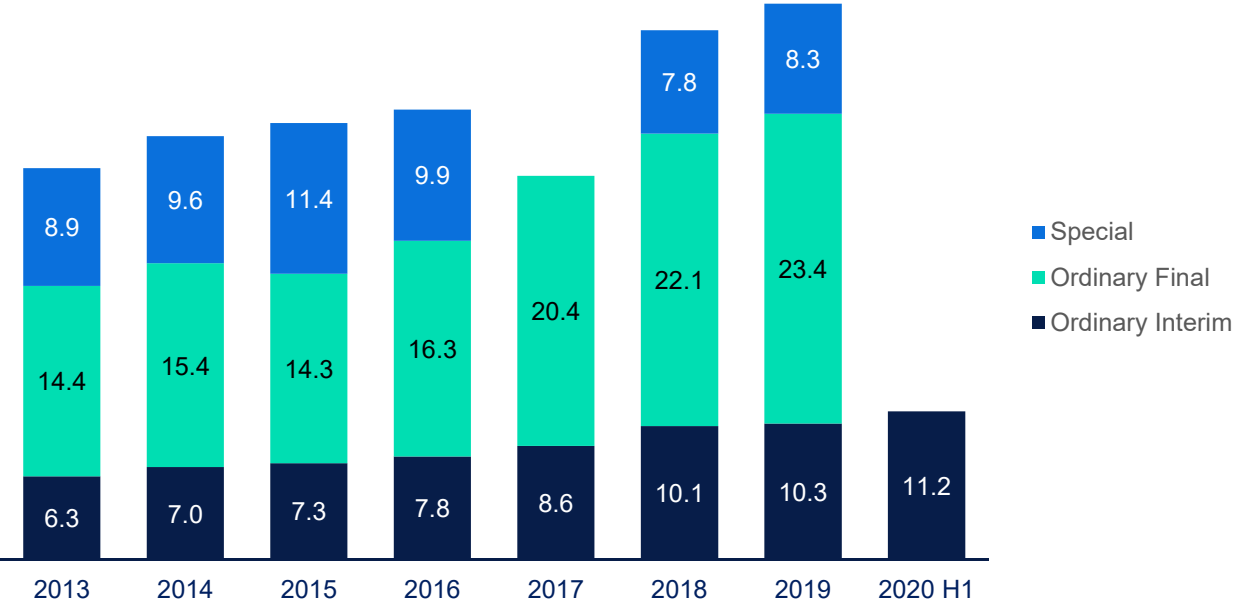
		H1 2020	H1 2019	FY 2019
Staff costs	+2%	<b>£50.5 m</b>	£49.5m	£97.2m
Marketing and distribution spend	-	<b>£6.0m</b>	£6.0m	£12.7m
Depreciation, amortisation & financial costs	+45%	<b>£8.4m</b>	£5.8m	£12.4m
Other costs	-4%	<b>£22.6m</b>	£23.5m	£50.3m
FSCS levy costs	+467%	<b>£1.7m</b>	£0.3m	£6.8m
<b>Total operating costs</b>	<b>+5%</b>	<b>£89.2m</b>	<b>£85.1m</b>	£179.4m
Ave. no of staff (FTE)	+4%	<b>1,588</b>	1,534	1,574
No of staff at end of period (FTE)	+2%	<b>1,605</b>	1,570	1,586

Group Cost Ratio\* (bps) FY 2013 to 1H 2020



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

# DIVIDENDS (PENCE PER SHARE)



# TOTAL ASSETS UNDER ADMINISTRATION

	FY 2020 H1	FY 2019	FY 2019 H2	FY 2019 H1	FY 2018	FY 2018 H2	FY 2018 H1
	£bn	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	99.3	<b>91.6</b>	85.9	91.6	<b>79.2</b>	86.1	79.2
Underlying net new business*	2.3	<b>7.3</b>	4.8	2.5	<b>7.6</b>	4.3	3.3
Market movement & other	3.6	<b>0.3</b>	8.5	(8.2)	<b>5.9</b>	1.4	4.6
Founder transfers*	-	-	-	-	<b>(1.1)</b>	(0.1)	(1.0)
AUA at end of period	105.2	<b>99.3</b>	99.3	85.9	<b>91.6</b>	91.6	86.1
Net new business inflow %**	5%	<b>8%</b>	11%	5%	<b>10%</b>	10%	8%

\* Underlying net new business for FY 2018 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. These are shown as "Founder transfers" in the table above.

\*\* 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 2020	H1 2019	FY 2019	CLOSING AUA H1 2020	VANTAGE	ACTIVE SAVINGS	PMS	TOTAL
	£bn	£bn	£bn	£bn	£bn	£bn		£bn	£bn	£bn	£bn
AUA at start of period	32.3	38.4	24.2	<b>94.8</b>	87.9	88.0					
Underlying net new business	0.7	0.5	0.7	<b>1.9</b>	2.2	6.5	Funds	52.7		3.2	<b>55.9</b>
Market movement & other <sup>1</sup>	1.1	1.5	0.9	<b>3.5</b>	(7.9)	0.3	Shares	36.5		-	<b>36.5</b>
AUA at end of period	34.0	40.4	25.8	<b>100.2</b>	82.2	94.8	Cash	11.0	1.6	0.1	<b>12.7</b>
Net new business inflow %	2%	1%	3%	<b>2%</b>	3%	7%	Closing AUA	100.2	1.6	3.3	<b>105.2</b>
Market movement %	3%	4%	4%	<b>4%</b>	-9%	0%					

1 Market movement includes other growth factors, such as retained investment income, totalling £572m (FY 2019: £986m, H1 2019: £510m).

2 Vantage SIPP AUA includes £7,989m income drawdown assets at 31 December 2019 (30 June 2019: £7,424m, 31 December 2018: £6,520m)

3 Vantage Fund & Share Account includes £3.5bn as at 31 December 2019 (30 June 2019: £3.5bn, 31 December 2018: £3.4bn) of Hargreaves Lansdown plc shares.

# VANTAGE SPLIT BY ASSET CLASS

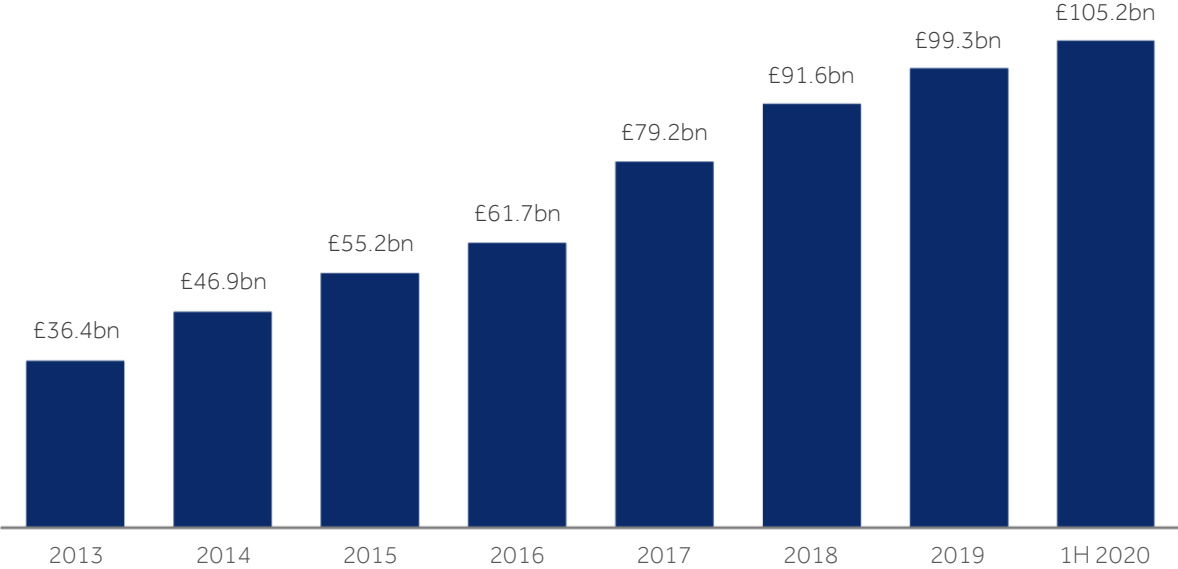
	SIPP	ISA	F&S/Other	Total
<b>At 31 December 2019</b>				
Stocks and shares	25%	30%	61%	<b>36%</b>
Investment funds	59%	61%	31%	<b>53%</b>
Cash	16%	9%	7%	<b>11%</b>
<b>% of Vantage</b>	<b>34%</b>	<b>40%</b>	<b>26%</b>	<b>100%</b>
<b>AUA (£m)</b>	<b>34.0</b>	<b>40.4</b>	<b>25.8</b>	<b>100.2</b>
<b>At 30 June 2019</b>				
Stocks and shares	25%	29%	60%	<b>36%</b>
Investment funds	59%	62%	33%	<b>53%</b>
Cash	16%	9%	7%	<b>11%</b>
<b>% of Vantage</b>	<b>34%</b>	<b>40%</b>	<b>26%</b>	<b>100%</b>
<b>AUA (£m)</b>	<b>32.3</b>	<b>38.4</b>	<b>24.2</b>	<b>94.8</b>

# VANTAGE OTHER INFORMATION

	SIPP	ISA	F&S/Other	Total	H1 2019	FY 2019
Total No. of equity deals* ('000)	812	1,347	759	<b>2,918</b>	<b>2,564</b>	<b>5,282</b>
Total client share deals ('000)	674	975	595	<b>2,245</b>	<b>2,004</b>	<b>4,182</b>
% online (of client share deals)	99%	98%	98%	<b>99%</b>	<b>98%</b>	<b>98%</b>
No. of fund deals ('000)	2,620	3,318	561	<b>6,498</b>	<b>5,882</b>	<b>12,412</b>
Average active client value at period end (£'000)	84.0	49.5	68.6	<b>79.2</b>	<b>73.0</b>	<b>78.0</b>
Average age (years)	47.6	46.5	57.1	<b>47.7</b>	<b>47.6</b>	<b>47.6</b>
New active accounts ('000)	15	26	14	<b>56</b>	<b>53</b>	<b>157</b>
Total active accounts ('000)				<b>1,663</b>	<b>1,503</b>	<b>1,608</b>
Clients registered for online access				<b>90%</b>	<b>91%</b>	<b>90%</b>
Clients registered for paperless service				<b>77%</b>	<b>79%</b>	<b>77%</b>

\* Includes 673,000 automated share deals i.e. income reinvestment, fee sales and regular savings (H1 2019 : 560,000, FY 2019 : 1,100,000)

# GROWTH IN TOTAL AUA







Total AUA FY 2013 to Dec 2020 (£ billion)

	2013	2014	2015	2016	2017	2018	2019	1H 2020
<b>Market growth/other</b>	+19%	+11%	+5%	+1%	+17%	+6%	+0%	+4%
<b>Organic growth<sup>1</sup></b>	+19%	+18%	+13%	+11%	+11%	+10%	+8%	+2%
<b>Total growth in AUA</b>	+38%	+29%	+18%	+12%	+28%	+16%	+8%	+6%

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

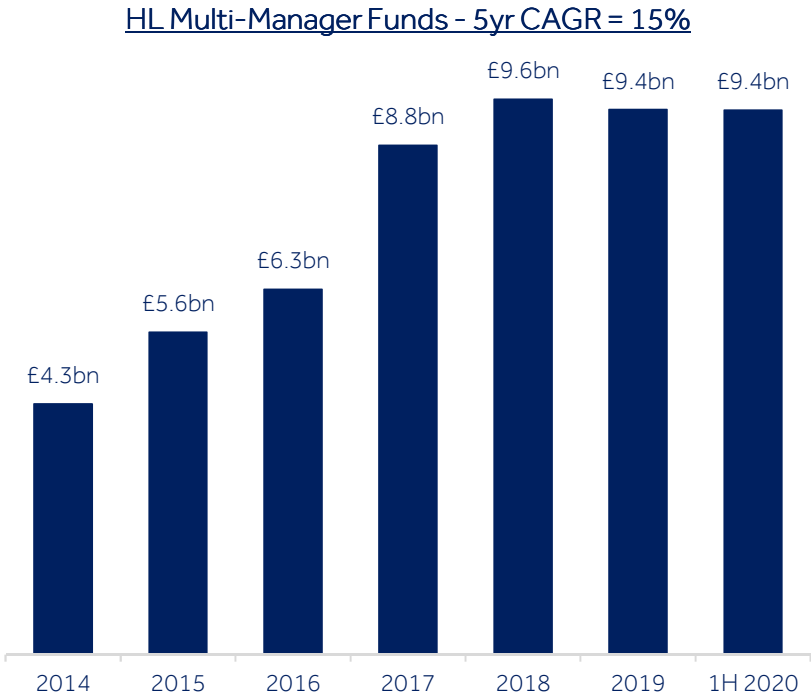
# HL WORKPLACE SOLUTIONS (PREVIOUSLY CORPORATE VANTAGE)

	As at 31 December 2019	As at 30 June 2019	% change	6 months increase in H1 2020	6 months increase in H1 2019
 Members*	123,024	115,040	<b>+7%</b>	7,984	8,419
 Schemes *	460	463	<b>-1%</b>	-3	13
 Annual Premiums **	£450m	£381m	<b>+18%</b>	£69m	£30m
 AUA	£4,035m	£3,717m	<b>+8.6%</b>	£318m	£10m

\*Numbers relate to schemes either live or contracted.

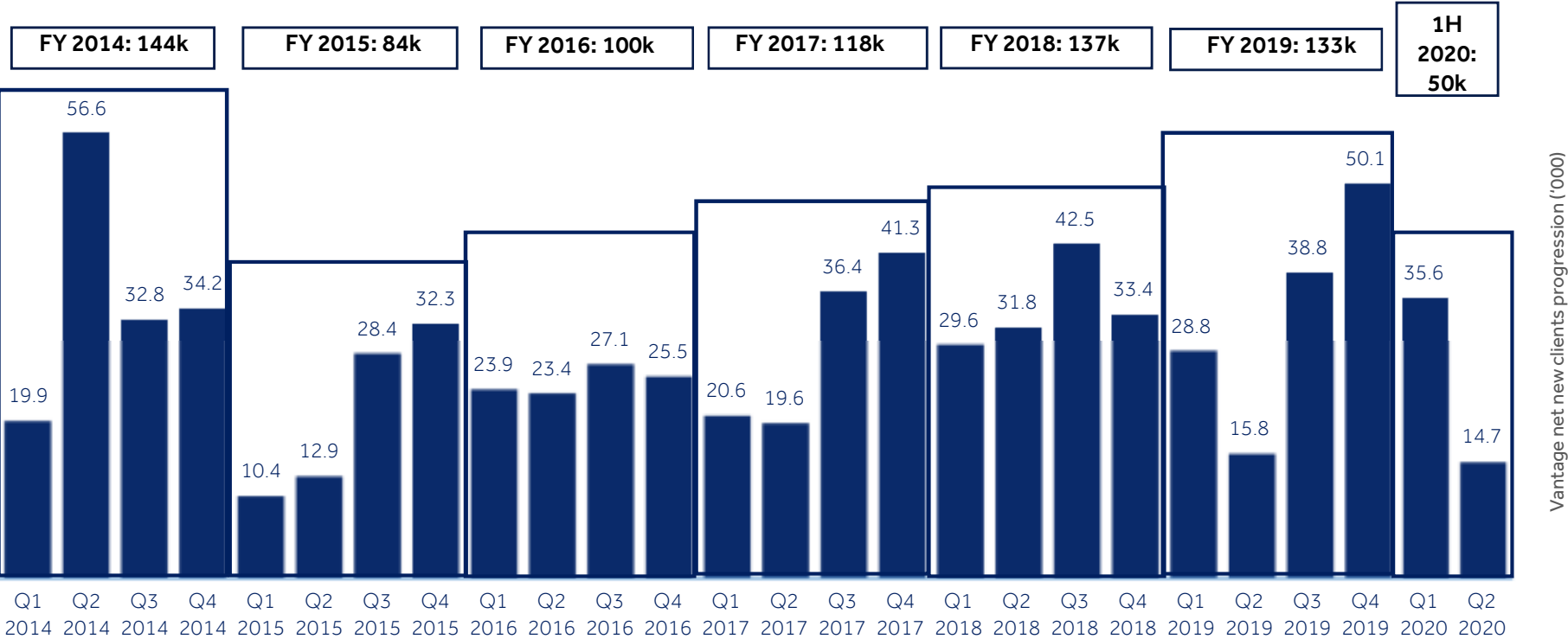
\*\*Only includes those annual premiums already being received.

# GROWTH IN HL FUNDS



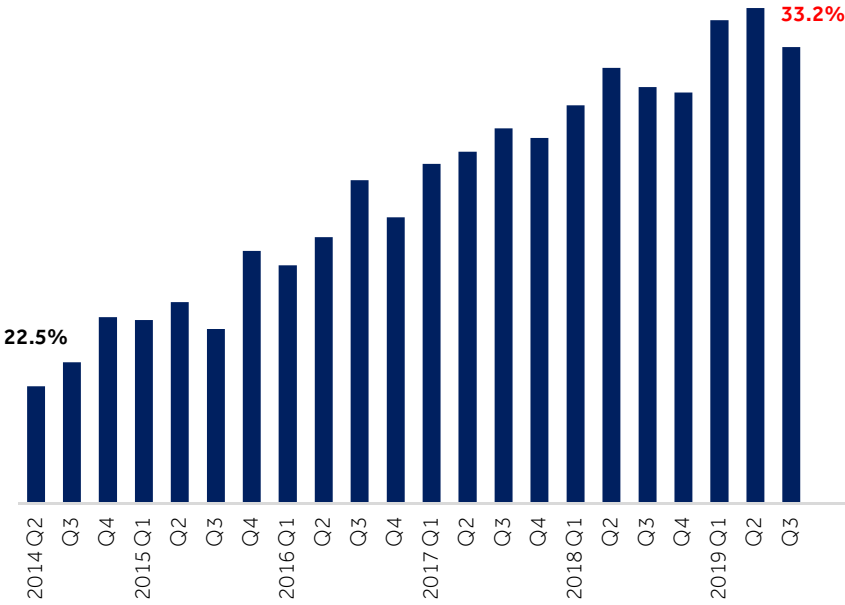
HLMM FUNDS (£m)	DEC-19
Income & Growth	2,786
Special Situations	1,816
Balanced Managed	1,208
Strategic Bond	1,028
High Income	579
Equity & Bond	294
Asia & Emerging Markets	221
UK Growth	205
European	180
Strategic Assets	192
<b>Multi-Manager Funds</b>	<b>8,509</b>
HL Select Global Growth Shares	368
HL Select UK Growth Shares	318
HL Select UK Income Shares	184
<b>Equity Funds</b>	<b>869</b>
<b>TOTAL</b>	<b>9,379</b>

# NET NEW CLIENTS



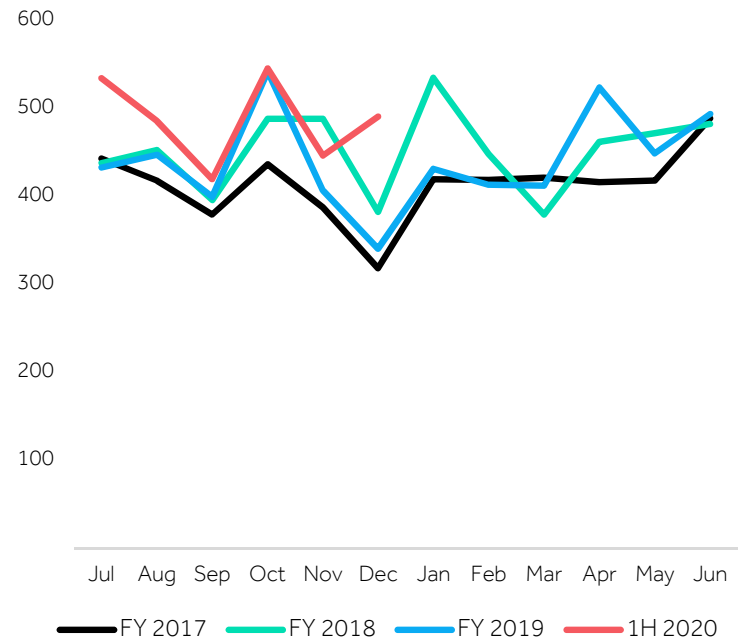
# STOCKBROKING VOLUMES

Execution-only market share



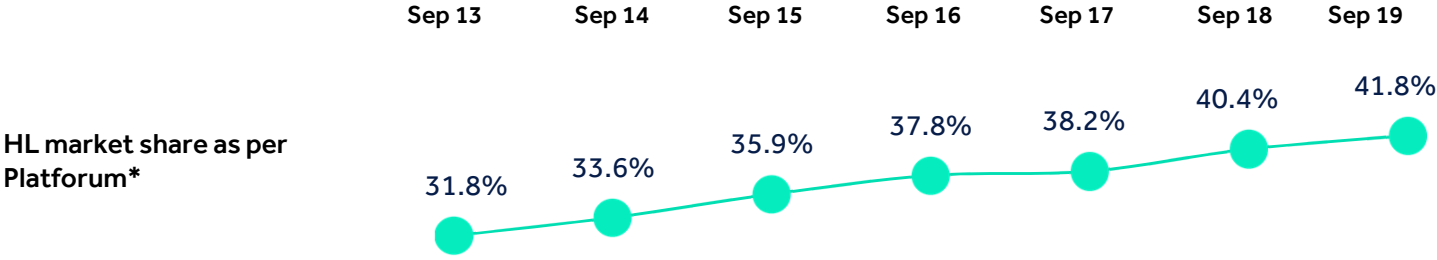
Source: Compeer XO Quarterly Benchmarking Report Quarter 3 2019

Monthly dealing volumes (£k)



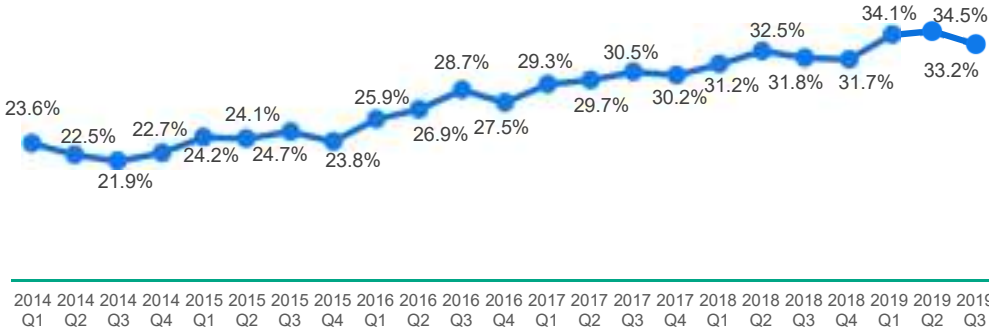


# MARKET SHARE STATISTICS



\* The Platform Direct Platform Guide Reports share of Assets Under Administration (February 2020)

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



\*\* Source: Compeer Quarterly Benchmarking Report – Q3 2019