

# DATA PACK 2019

Interim Results

**HARGREAVES  
LANSDOWN**

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# SUMMARY INCOME STATEMENT

ALL FIGURES IN £MILLIONS		H1 2019	H1 2018	FY 2018
Revenue	+9%	<b>236.5</b>	216.1	447.6
Commission payable		<b>(0.1)</b>	(0.1)	(0.1)
Net revenue	+9%	<b>236.4</b>	216.0	447.5
Fair value gains on derivatives		<b>1.1</b>	1.1	2.3
Staff costs	+18%	<b>(49.5)</b>	(41.8)	(87.4)
Other Operating costs	+20%	<b>(35.3)</b>	(29.4)	(67.8)
FSCS costs		<b>(0.3)</b>	0.3	(3.5)
Operating profit	+4%	<b>152.4</b>	146.2	291.1
Investment revenue and other gains	+71%	<b>1.2</b>	0.7	1.5
Finance costs		<b>(0.2)</b>		(0.2)
Profit before tax	+4%	<b>153.4</b>	146.9	292.4
Tax	+5%	<b>(29.3)</b>	(27.9)	(55.7)
Profit for the period	+4%	<b>124.1</b>	119.0	236.7
Basic earnings per share (pence)	+4%	<b>26.1</b>	25.0	49.7
Diluted earnings per share (pence)	+4%	<b>26.1</b>	25.0	49.6

# GROUP NET REVENUE ANALYSIS

ALL FIGURES IN £MILLIONS		H1 2019	H1 2018	FY 2018
Platform fees (1)	+5%	103.1	97.8	198.0
Net renewal income (1)	-4%	2.6	2.7	5.6
Management fees (1)	+10%	10.8	9.8	20.2
HL Fund AMC (1)	+4%	34.7	33.3	67.2
Stockbroking income (2)	-5%	32.8	34.4	72.6
Interest receivable (1)	+83%	33.3	18.2	42.1
On-going adviser charges (1)	0%	5.9	5.9	11.9
Adviser charges (2)	-4%	5.5	5.7	12.1
Funds Library (3)	+8%	4.3	4.0	8.6
Other Income (2)	-19%	3.5	4.3	9.3
Total revenue	+9%	236.5	216.1	447.6
Less commission payable (1)		(0.1)	(0.1)	(0.1)
<b>Total net revenue</b>	<b>+9%</b>	<b>236.4</b>	<b>216.0</b>	<b>447.5</b>

		H1 2019	H1 2018	FY 2018
(1) Net recurring revenue	+12%	190.3	167.7	344.9
(2) Transactional revenue	-6%	41.8	44.3	94.0
(3) Other revenue	+8%	4.3	4.0	8.6
<b>Total net revenue</b>	<b>+9%</b>	<b>236.4</b>	<b>216.0</b>	<b>447.5</b>

# NET REVENUE MARGINS

	H1 2019			H1 2018		
	Revenue £m	Ave Assets £bn	Margin bps	Revenue £m	Ave Assets £bn	Margin bps
Renewal income (net of loyalty bonus)	0.1			-		
Platform fee	103.1			97.8		
<b>Total net revenue from funds</b>	<b>103.2</b>	<b>50.1</b>	<b>41</b>	<b>97.8</b>	<b>47.4</b>	<b>41</b>
Stockbroking commission	31.3			33.1		
Management fees	10.8			9.8		
<b>Total revenue from other stock</b>	<b>42.1</b>	<b>30.8</b>	<b>27</b>	<b>42.9</b>	<b>27.3</b>	<b>31</b>
<b>Total revenue from cash<sup>4</sup></b>	<b>33.2</b>	<b>9.9</b>	<b>67</b>	<b>18.2</b>	<b>8.4</b>	<b>43</b>
<b>HL Funds<sup>1</sup></b>	<b>34.7</b>	<b>9.3<sup>2</sup></b>	<b>74</b>	<b>33.3</b>	<b>9.0<sup>2</sup></b>	<b>74</b>
	213.2	90.8	47	192.2	83.1	46
Other income <sup>3</sup>	23.2	0.2 <sup>4</sup>		23.8	-	
<b>Total revenue</b>	<b>236.4</b>	<b>91.0</b>		<b>216.0</b>	<b>83.1</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.

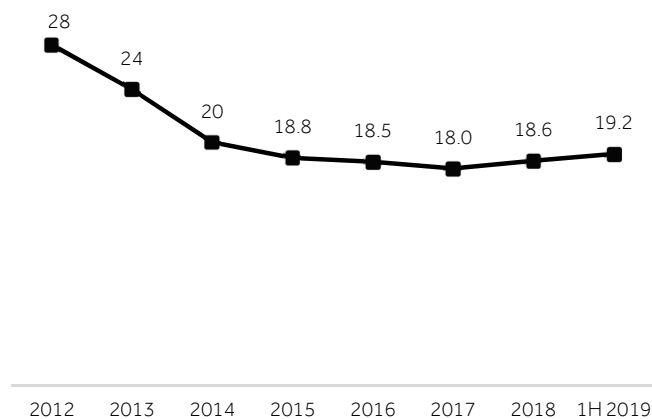
3 Other income includes advisory fees, FundsLibrary revenues, Active Savings and ancillary services (e.g. annuity broking, distribution of VCTs and Hargreaves Lansdown Currency and Market Services).

4 Average cash held via Active Savings.

# COSTS

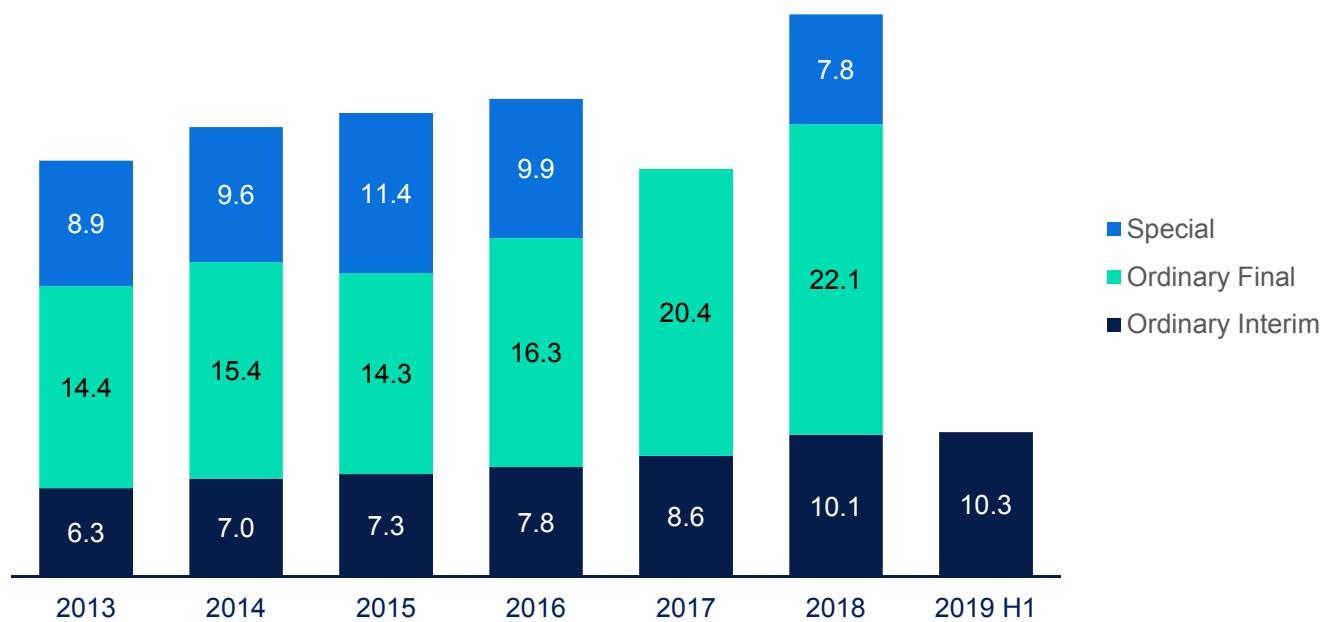
		H1 2019	H1 2018	FY 2018
Staff costs	+18%	<b>£49.5m</b>	£41.8m	£87.4m
Marketing and distribution spend	-13%	<b>£6.0m</b>	£6.9m	£16.3m
Depreciation, amortisation & financial costs	+32%	<b>£5.8m</b>	£4.4m	£10.3m
Other costs	+30%	<b>£23.5m</b>	£18.1m	£41.2m
FSCS levy costs	+200%	<b>£0.3m</b>	(£0.3m)	£3.5m
<b>Total operating costs</b>	<b>+20%</b>	<b>£85.1m</b>	<b>£70.9m</b>	<b>£158.7m</b>
Ave. no of staff (FTE)	+17%	<b>1,534</b>	1,310	1,398
No of staff at end of period (FTE)	+14%	<b>1,570</b>	1,377	1,499

Group Cost Ratio\* (bps) FY 2012 to 1H 2019



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

# DIVIDENDS (PENCE PER SHARE)



# TOTAL ASSETS UNDER ADMINISTRATION

	FY 2019 H1	FY 2018	FY 2018 H2	FY 2018 H1	FY 2017	FY 2017 H2	FY 2017 H1
	£bn	£bn	£bn	£bn	£bn	£bn	£bn
AUA at start of period	91.6	<b>79.2</b>	86.1	79.2	<b>61.7</b>	70.0	61.7
Underlying net new business*	2.5	<b>7.6</b>	4.3	3.3	<b>6.9</b>	4.6	2.3
Market movement & other	(8.2)	<b>5.9</b>	1.4	4.6	<b>10.6</b>	4.6	6.0
Founder transfers*	-	<b>(1.1)</b>	(0.1)	(1.0)	-	-	-
AUA at end of period	85.9	<b>91.6</b>	91.6	86.1	<b>79.2</b>	79.2	70.0
Net new business inflow %**	5%	<b>10%</b>	10%	8%	<b>11%</b>	13%	7%

\* 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>3</sup>	ISA	FUND & SHARE <sup>4</sup>	TOTAL H1 2019	H1 2018	FY 2018	CLOSING AUA H1 2019	VANTAGE	ACTIVE SAVINGS	PMS	TOTAL
	£bn	£bn	£bn	£bn	£bn	£bn		£bn	£bn	£bn	£bn
AUA at start of period	29.5	35.4	23.0	<b>87.9</b>	75.7	75.7					
Underlying net new business <sup>1</sup>	1.1	0.4	0.7	<b>2.2</b>	3.3	7.6	Funds	43.4		3.2	<b>46.6</b>
Market movement & other <sup>2</sup>	(2.4)	(3.3)	(2.2)	<b>(7.9)</b>	4.4	5.8	Shares	28.5		-	<b>28.5</b>
Founder transfers <sup>1</sup>	-	-	-	<b>-</b>	(1.0)	(1.1)	Cash	10.3	0.4	0.1	<b>10.8</b>
AUA at end of period	28.2	32.5	21.5	<b>82.2</b>	82.5	88.0	Closing AUA	82.2	0.4	3.3	<b>85.9</b>
Net new business inflow %	4%	1%	3%	<b>3%</b>	4%	10%					
Market movement %	-8%	-9%	-10%	<b>-9%</b>	6%	8%					

1 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

2 Market movement includes other growth factors, such as retained investment income, totalling £510m (FY 2018: £827m, H1 2017: £424m).

3 Vantage SIPP AUA includes £6,520m income drawdown assets at 31 December 2018 (30 June 2018: £6,678m, 31 December 2017: £6,240m)

4 Vantage Fund & Share Account includes £3.4bn as at 31 December 2018 (30 June 2018 £3.7bn, 31 December 2017: £3.4bn) of Hargreaves Lansdown plc shares.

# VANTAGE SPLIT BY ASSET CLASS

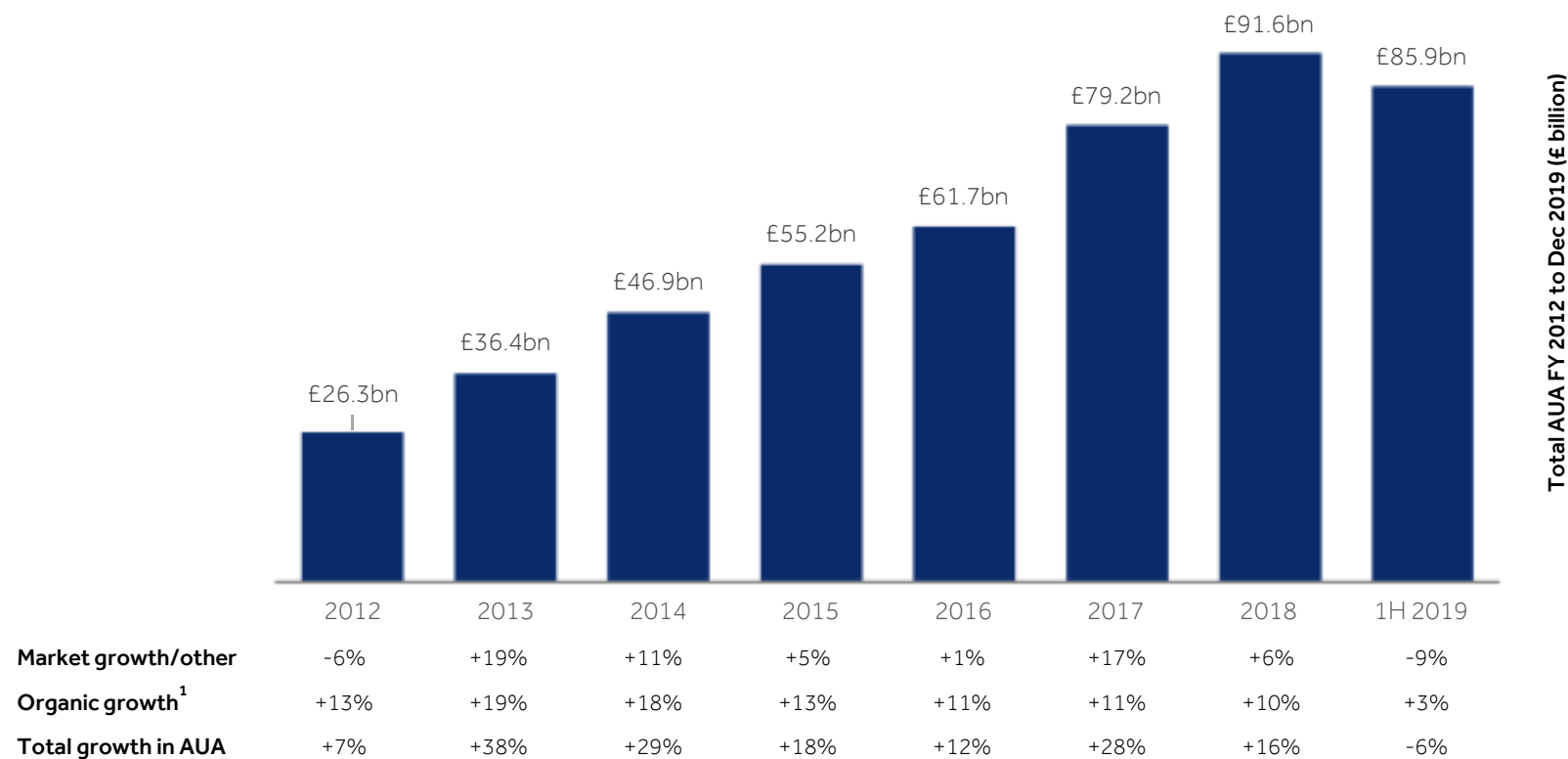
	SIPP	ISA	F&S/Other	Total
<b>At 31 December 2018</b>				
Stocks and shares	24%	28%	59%	<b>34%</b>
Investment funds	57%	62%	33%	<b>53%</b>
Cash	19%	10%	8%	<b>13%</b>
% of Vantage	<b>34%</b>	<b>40%</b>	<b>26%</b>	<b>100%</b>
<b>AUA (£m)</b>	<b>28.2</b>	<b>32.5</b>	<b>21.5</b>	<b>82.2</b>
<b>At 30 June 2018</b>				
Stocks and shares	25%	28%	59%	<b>35%</b>
Investment funds	59%	63%	34%	<b>54%</b>
Cash	16%	9%	7%	<b>11%</b>
% of Vantage	<b>34%</b>	<b>40%</b>	<b>26%</b>	<b>100%</b>
<b>AUA (£m)</b>	<b>29.5</b>	<b>35.4</b>	<b>23.0</b>	<b>88.0</b>

# VANTAGE OTHER INFORMATION

	SIPP	ISA	F&S/Other	Total	H1 2018	FY 2018
Total No. of equity deals* ('000)	723	1,185	656	<b>2,564</b>	<b>2,597</b>	<b>5,369</b>
Total client share deals ('000)	603	863	538	<b>2,004</b>	<b>2,099</b>	<b>4,414</b>
% online (of client share deals)	99%	98%	98%	<b>98%</b>	<b>98%</b>	<b>98%</b>
No. of fund deals ('000)	2,405	2,957	520	<b>5,882</b>	<b>5,613</b>	<b>11,890</b>
Average active client value at period end (£'000)	76.4	44.2	63.8	<b>73.0</b>	<b>82.0</b>	<b>81.3</b>
Average age (years)	47.5	46.6	57.1	<b>47.6</b>	<b>48.3</b>	<b>47.8</b>
New active accounts ('000)	18	24	11	<b>53</b>	<b>79</b>	<b>175</b>
Total active accounts ('000)				<b>1,503</b>	<b>1,355</b>	<b>1,450</b>
Clients registered for online access				<b>91%</b>	<b>90%</b>	<b>90%</b>
Clients registered for paperless service				<b>79%</b>	<b>78%</b>	<b>78%</b>





\* Includes 560,000 automated share deals i.e. income reinvestment, fee sales and regular savings (H1 2018 : 499,000, FY 2018 : 955,000)

# GROWTH IN TOTAL AUA



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

# HL WORKPLACE SOLUTIONS (PREVIOUSLY CORPORATE VANTAGE)

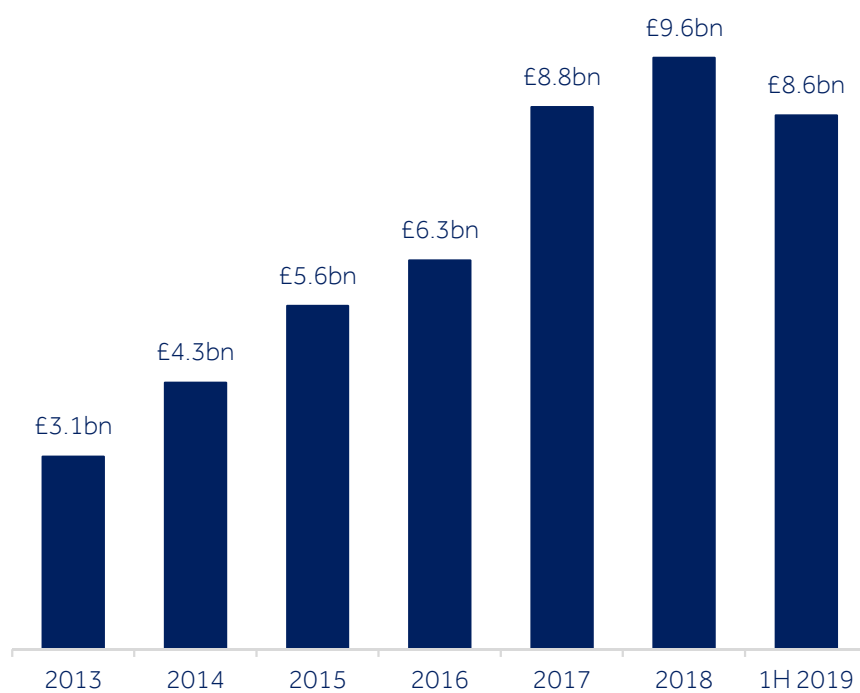
	As at 31 December 2018	As at 30 June 2018	% change	6 months increase in H1 2019	6 months increase in H1 2018
 Members*	108,228	99,809	<b>+8%</b>	8,419	10,722
 Schemes *	438	425	<b>+3%</b>	13	24
 Annual Premiums **	£344m	£314m	<b>+10%</b>	£30m	£14m
 AUA	£3,130m	£3,120m	<b>+0.3%</b>	£10m	£297m

\*Numbers relate to schemes either live or contracted.

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

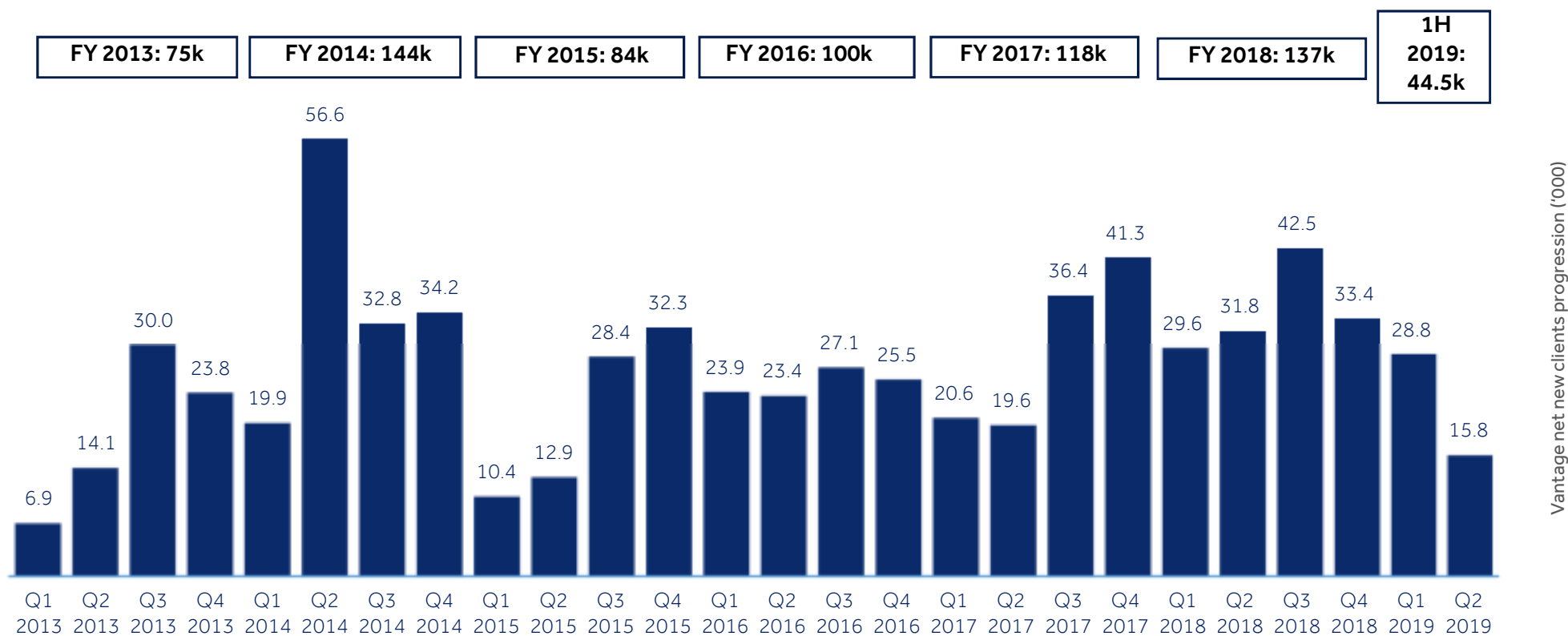
# GROWTH IN HL FUNDS

HL Multi-Manager Funds – 5.5yr CAGR = 20%

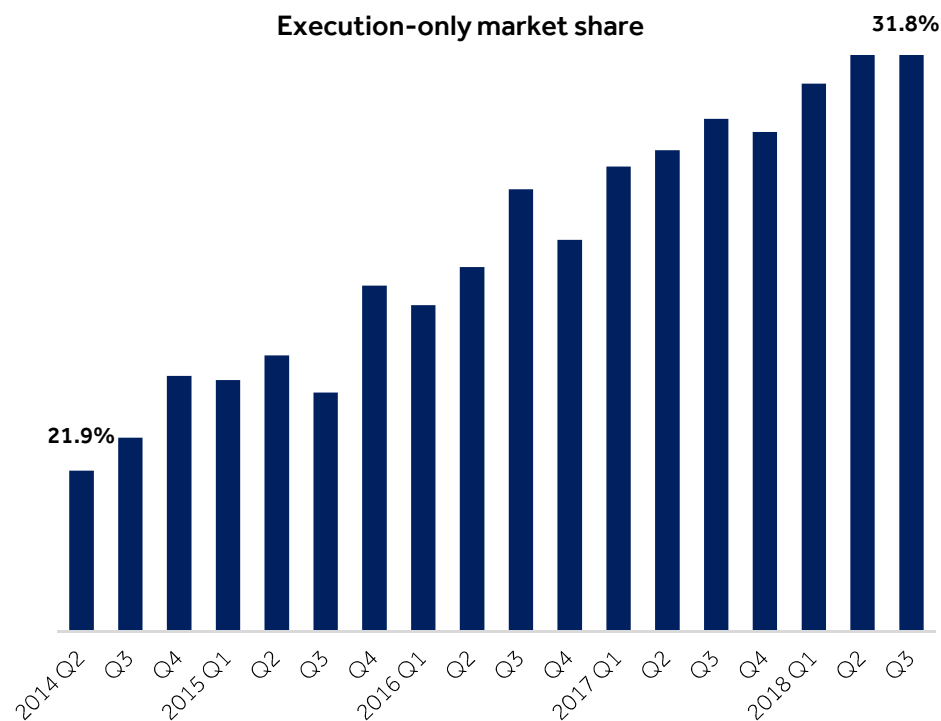


HLMM FUNDS (£m)	DEC-18
Income & Growth	2,796
Special Situations	1,672
Balanced Managed	1,140
Strategic Bond	1,024
High Income	528
Equity & Bond	288
Asia & Emerging Markets	208
UK Growth	193
European	164
Strategic Assets	190
<b>Multi-Manager Funds</b>	<b>8,203</b>
HL Select UK Growth Shares	259
HL Select UK Income Shares	174
<b>Equity Funds</b>	<b>433</b>
<b>TOTAL</b>	<b>8,636</b>

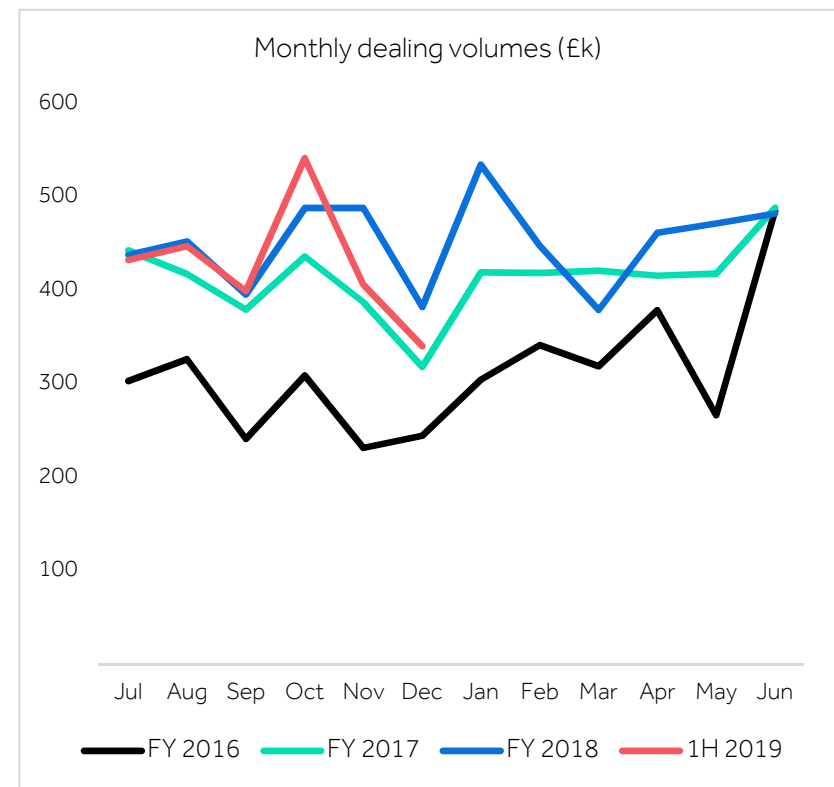
# NET NEW CLIENTS



# STOCKBROKING VOLUMES

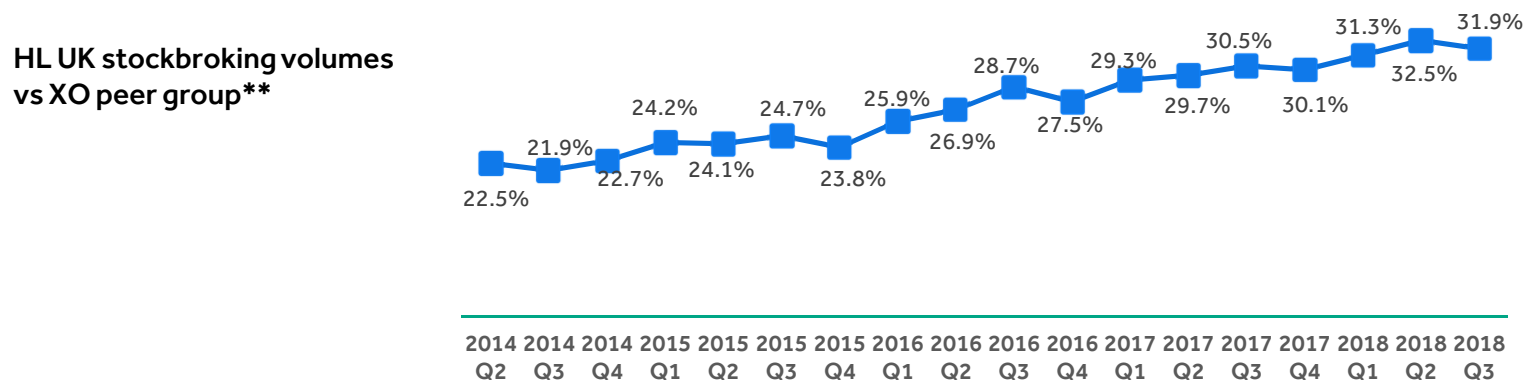
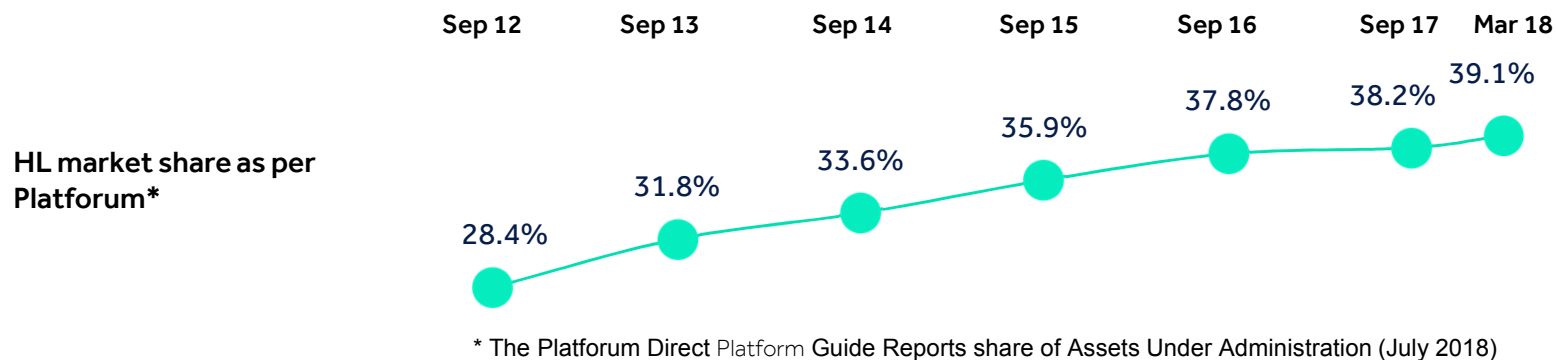


Source: Compeer XO Quarterly Benchmarking Report Quarter 3 2018





# MARKET SHARE STATISTICS



\*\* Source: Compeer Quarterly Benchmarking Report – Q3 2018