

Trading update

19 July 2024

Hargreaves Lansdown plc today issues a trading update in respect of the three months ended 30 June 2024.

Highlights

- Positive tax year end activity with increased gross inflows, net new clients and share dealing volumes versus last year.
- Net new business of £1.6 billion in the period and closing Assets under Administration (“AUA”) a record £155.3 billion.
- Net new clients of 24,000 in the period, up 85% year on year, with 1,882,000 active clients now on the platform.

Dan Olley, Chief Executive Officer, commented:

“While we still have more to do to deliver against our strategic priorities, we are making progress and I’m pleased to see ongoing good momentum this quarter, with a further net new 24,000 clients joining HL, £1.6 billion of net new business generated and a record closing AUA of £155.3 billion for the full year.

“Our ongoing focus on client service, client experience and value continue to deliver results, with client NPS for the second half of the year, which includes the busy tax year end season at 44, up from 41 for the first half of the year.

“Striving for excellent client experience also means giving clients what they want, whether that’s fully managed or passive products at a lower cost. Our recently launched range of Managed and Multi-Index Funds proved popular exceeding our targets for launch, and generated £0.4 billion of the £0.5 billion growth in our HL Funds range across the quarter.

“As momentum across the business comes through in our results, we will continue to invest in the value proposition for our clients, delivering client service excellence, improving the client experience and enhancing overall client value over time.”

“We operate in a large and growing market, and our purpose, to make it easy to save and invest for a better future has never been more relevant, so we welcome the new government’s early focus on growth and encouraging more people to engage with their finances. Our scale, trusted brand and unique data insights combined with our focus on increasing the pace of strategic execution will deliver sustainable growth for the benefit of all our stakeholders.”

Trading performance

- Net new business of £1.6 billion in the quarter (Q4 2023: £1.7bn), reflects continued momentum around tax year end from Q3. Net flows on to the Platform were driven by clients as they focused on utilising their ISA and SIPP allowances. Active Savings continued to perform well and benefited from the previous quarter’s multi-bank cash ISA launch, providing clients with a range of ISA products (fixed-term, easy access and limited access) from multiple banks and from introducing functionality for clients to transfer from their Stocks and Shares ISA to the Cash ISA.
- Net client growth of 24,000 in the quarter (Q4 2023: 13,000) driven by net new clients in the SIPP, ISA and Active Savings accounts. Client retention at 91.1% (Q4 2023: 92.0%) and asset retention at 87.7% (Q4 2023: 89.7%) continues to reflect the macroeconomic backdrop for those of our clients who need to make cash withdrawals and the increasing scale of Active Savings.
- Share dealing volumes averaged 838,000 per month in the quarter (Q4 2023: 685,000) continuing the increase in volumes seen since the first half of the year, with overseas deal volumes representing 20.6% of total deals in the quarter (Q4 2023: 16.8%).
- As expected, client cash balances increased at the beginning of the quarter as clients contributed to tax wrapped accounts ahead of the tax year-end deadline and at the start of the new tax year, before then making their investment choices. At the end of the quarter the client cash balance was £12.4 billion (Q4 2023: £13.1bn).

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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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Clients, retention rates and share dealing volumes

Key metrics	3 months to 30 June 2024	3 months to 31 March 2024	3 months to 31 December 2023	3 months to 30 September 2023	3 months to 30 June 2023
Net new clients	24,000	34,000	12,000	8,000	13,000
Total active clients	1,882,000	1,858,000	1,824,000	1,812,000	1,804,000
Client Retention Rate (%)	91.1	91.4	91.6	91.7	92.0
Asset Retention Rate (%)	87.7	88.0	89.3	89.0	89.7
Share dealing volumes per month	838,000	794,000	672,000	634,000	685,000

Assets under administration

AUA (£billion)	3 months to 30 June 2024	3 months to 31 March 2024	3 months to 31 December 2023	3 months to 30 September 2023	3 months to 30 June 2023
Opening AUA	149.7	142.2	134.8	134.0	132.0
Net new business - platform	0.9	0.9	(0.2)	(0.1)	0.9
Net new business – Active Savings	0.7	0.7	0.6	0.7	0.8
Total net new business	1.6	1.6	0.4	0.6	1.7
Market movements and other	4.0	5.9	7.0	0.2	0.3
Closing AUA	155.3	149.7	142.2	134.8	134.0

Closing AUA (£billion)	As at 30 June 2024	As at 31 March 2024	As at 31 December 2023	As at 30 September 2023	As at 30 June 2023
Funds	70.9	68.8	65.1	61.9	62.2
Shares	61.4	58.5	55.8	51.9	50.8
Cash	12.4	12.4	12.1	12.4	13.1
HL Funds	10.3	9.8	9.2	8.7	8.7
Active Savings	10.6	9.9	9.1	8.5	7.8
Double count ¹	(10.3)	(9.7)	(9.1)	(8.6)	(8.6)
Total	155.3	149.7	142.2	134.8	134.0

Average AUA (£billion)	3 months to 30 June 2024	3 months to 31 March 2024	3 months to 31 December 2023	3 months to 30 September 2023	3 months to 30 June 2023
Funds	69.7	66.9	62.3	62.6	62.1
Shares	60.3	56.4	52.9	52.2	50.4
Cash	12.6	12.2	12.1	12.5	13.4
HL Funds	10.1	9.5	8.8	8.8	8.7
Active Savings	10.4	9.6	8.9	8.3	7.5
Double count ¹	(10.0)	(9.4)	(8.7)	(8.7)	(8.6)
Total	153.1	145.2	136.3	135.7	133.5

¹ 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.