

23 January 2019

AJ Bell plc
Q1 trading update

AJ Bell plc (“AJ Bell” or the “Company”), one of the UK’s largest investment platforms, today issues a trading update in respect of the three months ended 31 December 2018. This follows the successful completion of AJ Bell’s listing onto the main market of the London Stock Exchange in December 2018.

Performance highlights

- Platform customer numbers increased by 7,285 to 190,498, up 4% during the period
- Underlying Platform inflows increased 20% to £1.2 billion, compared to £1.0 billion in the same period last year
- In line with the expectations set out in our IPO prospectus, defined benefit (“DB”) pension transfers to the Advised Platform declined compared to prior year. This downward trend is expected to continue during the current year
- Negative market movements of £2.7 billion resulted in total closing Assets Under Administration (“AUA”) of £44.2 billion – a 4% decline since 30 September 2018 compared to an 11% fall in the FTSE All-Share index over the same period
- Our award-winning platform propositions were named Advised Platform of the Year 2018 by the Lang Cat and Best Direct Platform 2018 by Platform

Andy Bell, chief executive officer at AJ Bell, commented:

“Trading in the first quarter of our financial year continued in line with the growth story we outlined ahead of our IPO and remains on track. We continued to attract new customers and inflows to the platform in the face of volatile investment markets, which demonstrates the strength and resilience of our business model as we approach our busiest period of the year. Our low-cost and easy-to-use investment platform continues to appeal to both retail customers and financial advisers, and providing high quality service to them remains our top priority.

“Platforms have been one of the main beneficiaries of defined benefit pension transfers. These have declined steadily since their peak seen in financial year 2017 and we expect this decline to continue. Despite this and short-term market volatility, the outlook for the platform market remains strong. The FCA is due to deliver the final report of its Investment Platforms Market Study and based on its interim report this is expected to focus on value for money and easier transfers between platforms. Our competitive pricing model and service proposition means we are well positioned to benefit from anticipated developments in these areas.”

Three months ended 31 December 2018	Advised Platform £billion	D2C Platform £billion	Total Platform £billion	Non- platform £billion	Total £billion
Opening AUA	29.9	8.7	38.6	7.5	46.1
Underlying inflows ⁽¹⁾	0.8	0.4	1.2	-	1.2
Outflows ⁽²⁾	(0.4)	(0.2)	(0.6)	(0.3)	(0.9)
Underlying net inflows/(outflows)	0.4	0.2	0.6	(0.3)	0.3
DB inflows ⁽³⁾	0.3	-	0.3	-	0.3
Bulk migration inflows	-	0.2 ⁽⁴⁾	0.2	-	0.2
Total net inflows/(outflows)	0.7	0.4	1.1	(0.3)	0.8
Market and other movements ⁽⁵⁾	(2.0)	(0.4)	(2.4)	(0.3)	(2.7)
Closing AUA	28.6	8.7	37.3	6.9	44.2
Customers	90,865	99,633	190,498	13,985	204,483

Three months ended 31 December 2017	Advised Platform £billion	D2C Platform £billion	Total Platform £billion	Non- platform £billion	Total £billion
Opening AUA	24.3	6.6	30.9	8.9	39.8
Underlying inflows ⁽¹⁾	0.7	0.3	1.0	0.1	1.1
Outflows ⁽²⁾	(0.3)	(0.1)	(0.4)	(0.1)	(0.5)
Underlying net inflows/(outflows)	0.4	0.2	0.6	-	0.6
DB inflows ⁽³⁾	0.6	-	0.6	-	0.6
Bulk migration inflows/(outflows)	-	0.3 ⁽⁶⁾	0.3	(0.7) ⁽⁶⁾	(0.4)
Total net inflows/(outflows)	1.0	0.5	1.5	(0.7)	0.8
Market and other movements ⁽⁵⁾	0.8	0.4	1.2	0.2	1.4
Closing AUA	26.1	7.5	33.6	8.4	42.0
Customers	79,084	74,738	153,822	18,009	171,831

(1) Includes transfers-in, subscriptions, contributions and tax relief, excluding inflows from DB pension transfers and bulk migrations

(2) Includes transfers-out, cash withdrawals, benefits and tax payments

(3) Inflows from DB pension transfers

(4) AJ Bell plc shares held by employees and former employees of the Company, which were migrated onto the D2C Platform ahead of IPO

(5) Includes charges, taxes deducted, investment returns and revaluations

(6) Non-recurring inflows/(outflows) from bulk customer migrations

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Historical AUA and customer numbers by quarter

Advised Platform	Qtr to 31 December 2017	Qtr to 31 March 2018	Qtr to 30 June 2018	Qtr to 30 September 2018	Qtr to 31 December 2018
AUA (£billion)					
Opening AUA	24.3	26.1	26.3	28.4	29.9
Underlying inflows ⁽¹⁾	0.7	0.9	0.9	0.8	0.8
Outflows ⁽²⁾	(0.3)	(0.4)	(0.3)	(0.4)	(0.4)
Underlying net inflows	0.4	0.5	0.6	0.4	0.4
DB inflows ⁽³⁾	0.6	0.5	0.4	0.3	0.3
Bulk migration inflows	-	-	-	0.5 ⁽⁶⁾	-
Total net inflows	1.0	1.0	1.0	1.2	0.7
Market and other movements ⁽⁵⁾	0.8	(0.8)	1.1	0.3	(2.0)
Closing AUA	26.1	26.3	28.4	29.9	28.6
Customers	79,084	82,466	85,131	88,658	90,865
D2C Platform	Qtr to 31 December 2017	Qtr to 31 March 2018	Qtr to 30 June 2018	Qtr to 30 September 2018	Qtr to 31 December 2018
AUA (£billion)					
Opening AUA	6.6	7.5	7.5	8.3	8.7
Underlying inflows ⁽¹⁾	0.3	0.5	0.7	0.4	0.4
Outflows ⁽²⁾	(0.1)	(0.1)	(0.2)	(0.1)	(0.2)
Underlying net inflows	0.2	0.4	0.5	0.3	0.2
Bulk migration inflows	0.3 ⁽⁶⁾	-	-	-	0.2 ⁽⁴⁾
Total net inflows	0.5	0.4	0.5	0.3	0.4
Market and other movements ⁽⁵⁾	0.4	(0.4)	0.3	0.1	(0.4)
Closing AUA	7.5	7.5	8.3	8.7	8.7
Customers	74,738	83,173	89,660	94,555	99,633
Non-platform	Qtr to 31 December 2017	Qtr to 31 March 2018	Qtr to 30 June 2018	Qtr to 30 September 2018	Qtr to 31 December 2018
AUA (£billion)					
Opening AUA	8.9	8.4	8.0	8.0	7.5
Inflows ⁽¹⁾	0.1	0.1	-	-	-
Outflows ⁽²⁾	(0.1)	(0.1)	(0.2)	(0.1)	(0.3)
Underlying net outflows	-	-	(0.2)	(0.1)	(0.3)
Bulk migration outflows	(0.7) ⁽⁶⁾	-	-	(0.5) ⁽⁶⁾	-
Total net inflows	(0.7)	-	(0.2)	(0.6)	(0.3)
Market and other movements ⁽⁵⁾	0.2	(0.4)	0.2	0.1	(0.3)
Closing AUA	8.4	8.0	8.0	7.5	6.9
Customers	18,009	17,843	17,083	14,699	13,985
Total closing AUA	42.0	41.8	44.7	46.1	44.2

(1) Includes transfers-in, subscriptions, contributions and tax relief, excluding inflows from DB pension transfers and bulk migrations

(2) Includes transfers-out, cash withdrawals, benefits and tax payments

(3) Inflows from DB pension transfers

(4) AJ Bell plc shares held by employees and former employees of the Company, which were migrated onto the D2C Platform ahead of IPO

(5) Includes charges, taxes deducted, investment returns and revaluations

(6) Non-recurring inflows/(outflows) from bulk customer migrations

About AJ Bell:

Established in 1995, AJ Bell is one of the largest investment platforms in the UK.

We operate in both the advised and direct-to-consumer segments of the platform market and our flagship platform propositions are AJ Bell Investcentre (adviser) and AJ Bell Youinvest (direct-to-consumer).

We offer SIPPs, ISAs and General Investment / Dealing Accounts. We aim to make it easy for our customers to invest by providing them with additional support in the form of various investment solutions and information. We offer a broad investment range including shares and other instruments traded on the major stock exchanges around the world, as well as all mainstream collective investments available in the UK and our own range of AJ Bell funds.

AJ Bell is headquartered in Manchester, UK.

Forward-looking statements

This announcement contains forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding AJ Bell's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies and the industry in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These forward-looking statements speak only as of the date of this announcement and AJ Bell does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement.