

23 July 2020

**AJ Bell plc**  
**Q3 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 30 June 2020.

**Performance overview**

Total customer numbers increased to 282,619, up 26% over the last 12 months and 8% in the quarter, with total net inflows in the quarter of £1.2 billion (2019: £1.2 billion).

Total assets under administration (AUA) increased to £54.3 billion, up 7% over the last 12 months and 12% in the quarter. The FTSE All-Share increased by 10% over the quarter.

AJ Bell’s customer growth and strong net inflows during the quarter were driven by the platform business:

- Platform customer numbers increased organically by 20,370
- Total platform customers closed at 268,444, up 27% year-on-year and 8% in the quarter
  - Advised customers of 106,335, up 11% over the last year and 2% in the quarter
  - D2C customers of 162,109, up 41% over the last year and 12% in the quarter
- Platform underlying net inflows, representing organic growth in the quarter, increased by 30% over the prior year to £1.3 billion (2019: £1.0 billion)
  - Advised underlying net inflows of £0.5 billion, in line with the prior year
  - D2C underlying net inflows of £0.8 billion, up 60% on the prior year
- Platform AUA closed at £47.7 billion, up 10% over the last year and 14% in the quarter

**Customer dealing activity and financial outlook**

As reported in the Company’s interim results for the six months ended 31 March 2020, stock market volatility drove record levels of dealing activity by D2C customers in the first half of the financial year, generating increased transactional revenue. Although trading volumes have now fallen from the peak levels seen earlier in the COVID-19 crisis, the number of trades placed by D2C customers in the quarter more than doubled compared to the same quarter in 2019, exceeding management’s expectations.

As a result, management currently expects profit before tax for the year ending 30 September 2020 to be at least £2.5 million above current market consensus<sup>1</sup>.

Customer dealing activity is expected to normalise in Q4 of the current financial year and therefore management reiterates its previous guidance in respect of the year ending 30 September 2021.

<sup>1</sup> As at 20 July 2020, Company compiled consensus for profit before tax was £43.4 million. Further details are available at [ajbell.co.uk/investor-relations/analyst-consensus](http://ajbell.co.uk/investor-relations/analyst-consensus)

## **Launch of AJ Bell Cash savings hub**

The Company is preparing to move into the £1.5 trillion<sup>2</sup> retail cash savings market with the launch of the AJ Bell Cash savings hub via its D2C platform.

As part of the Company's commitment to make it easy for people to invest, the AJ Bell Cash savings hub will enable customers to access a range of competitive notice and fixed-term savings accounts from a range of UK authorised banks. They will be able to apply for multiple accounts quickly and easily, with no paperwork, and manage their cash savings via one online account that sits alongside their existing AJ Bell Youinvest accounts. It will also give them peace of mind that the savings accounts they have within the Cash savings hub will be covered by the Financial Services Compensation Scheme (FSCS), up to the limit of £85,000 per bank.

AJ Bell will begin testing the Cash savings hub with a small group of existing customers before the end of July and expects to launch it to all AJ Bell Youinvest customers by the end of the calendar year.

<sup>2</sup> Source: Bank of England UK households' deposits statistics, May 2020

### **Andy Bell, Chief Executive Officer at AJ Bell, commented:**

"Markets have rebounded from the lows seen in the previous quarter but remain volatile and this has helped increase the value of assets under administration and customer trading volumes. Our focus throughout the COVID-19 crisis has been on ensuring we are here for customers and advisers when they need us and this has translated into strong net inflows onto the platform and continued strong organic growth in new customers.

"With interest rates so low, it is increasingly important that people regularly check the rates they are earning on their cash savings and consider switching accounts if they want to ensure they get a better return, but most people don't have the time or inclination to do that. Our new AJ Bell Cash savings hub will enable customers to manage their cash savings more effectively without having to go through lengthy, paper-based application processes each time they open a new account, whilst ensuring they benefit from FSCS protection.

"The quality and commitment of our staff has enabled us to operate all services on a business as usual basis throughout the coronavirus pandemic. This operational resilience demonstrates the strength of our business model which has been appreciated by many customers and advisers. The long-term growth drivers of the platform market remain undiminished and we are well positioned within the market to benefit."

<b>Three months ended 30 June 2020</b>	Advised Platform £billion	D2C Platform £billion	<b>Total Platform £billion</b>	Non- platform £billion	<b>Total £billion</b>
Opening AUA	31.4	10.6	<b>42.0</b>	6.3	<b>48.3</b>
Underlying inflows <sup>(1)</sup>	0.8	1.0	<b>1.8</b>	-	<b>1.8</b>
Outflows <sup>(2)</sup>	(0.3)	(0.2)	<b>(0.5)</b>	(0.3)	<b>(0.8)</b>
Underlying net inflows/(outflows)	0.5	0.8	<b>1.3</b>	(0.3)	<b>1.0</b>
DB inflows <sup>(3)</sup>	0.2	-	<b>0.2</b>	-	<b>0.2</b>
Total net inflows/(outflows)	0.7	0.8	<b>1.5</b>	(0.3)	<b>1.2</b>
Market and other movements <sup>(4)</sup>	3.1	1.1	<b>4.2</b>	0.6	<b>4.8</b>
Closing AUA	35.2	12.5	<b>47.7</b>	6.6	<b>54.3</b>
Opening customers	103,974	144,100	<b>248,074</b>	14,105	<b>262,179</b>
Closing customers	106,335	162,109	<b>268,444</b>	14,175	<b>282,619</b>

<b>Three months ended 30 June 2019</b>	Advised Platform £billion	D2C Platform £billion	<b>Total Platform £billion</b>	Non- platform £billion	<b>Total £billion</b>
Opening AUA	30.9	9.7	<b>40.6</b>	7.1	<b>47.7</b>
Underlying inflows <sup>(1)</sup>	0.9	0.6	<b>1.5</b>	-	<b>1.5</b>
Outflows <sup>(2)</sup>	(0.4)	(0.1)	<b>(0.5)</b>	-	<b>(0.5)</b>
Underlying net inflows	0.5	0.5	<b>1.0</b>	-	<b>1.0</b>
DB inflows <sup>(3)</sup>	0.2	-	<b>0.2</b>	-	<b>0.2</b>
Total net inflows	0.7	0.5	<b>1.2</b>	-	<b>1.2</b>
Market and other movements <sup>(4)</sup>	1.2	0.4	<b>1.6</b>	0.2	<b>1.8</b>
Closing AUA	32.8	10.6	<b>43.4</b>	7.3	<b>50.7</b>
Opening customers	93,496	107,426	<b>200,922</b>	13,931	<b>214,853</b>
Closing customers	96,083	114,682	<b>210,765</b>	13,879	<b>224,644</b>

(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 to the advised platform from defined benefit pension transfers

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

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## Historical AUA and customer numbers by quarter

<b>Advised Platform</b>	Qtr to 30 June 2019	Qtr to 30 September 2019	Qtr to 31 December 2019	Qtr to 31 March 2020	Qtr to 30 June 2020
<b>AUA (£billion)</b>					
Opening AUA	30.9	32.8	33.8	35.2	31.4
Underlying inflows <sup>(1)</sup>	0.9	0.9	0.8	1.2	0.8
Outflows <sup>(2)</sup>	(0.4)	(0.4)	(0.4)	(0.5)	(0.3)
Underlying net inflows	0.5	0.5	0.4	0.7	0.5
DB inflows <sup>(3)</sup>	0.2	0.2	0.2	0.2	0.2
Total net inflows	0.7	0.7	0.6	0.9	0.7
Market and other movements <sup>(4)</sup>	1.2	0.3	0.8	(4.7)	3.1
Closing AUA	32.8	33.8	35.2	31.4	35.2
Customers	96,083	98,056	100,170	103,974	106,335
<b>D2C Platform</b>					
<b>AUA (£billion)</b>					
Opening AUA	9.7	10.6	11.1	12.0	10.6
Inflows <sup>(1)</sup>	0.6	0.5	0.5	0.9	1.0
Outflows <sup>(2)</sup>	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Net inflows	0.5	0.3	0.3	0.7	0.8
Market and other movements <sup>(4)</sup>	0.4	0.2	0.6	(2.1)	1.1
Closing AUA	10.6	11.1	12.0	10.6	12.5
Customers	114,682	120,113	127,032	144,100	162,109
<b>Non-platform</b>					
<b>AUA (£billion)</b>					
Opening AUA	7.1	7.3	7.4	7.5	6.3
Inflows <sup>(1)</sup>	-	-	-	-	-
Outflows <sup>(2)</sup>	-	(0.1)	(0.1)	(0.3)	(0.3)
Net outflows	-	(0.1)	(0.1)	(0.3)	(0.3)
Market and other movements <sup>(4)</sup>	0.2	0.2	0.2	(0.9)	0.6
Closing AUA	7.3	7.4	7.5	6.3	6.6
Customers	13,879	13,897	13,950	14,105	14,175
<b>Total closing AUA</b>	<b>50.7</b>	<b>52.3</b>	<b>54.7</b>	<b>48.3</b>	<b>54.3</b>

(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 to the advised platform from defined benefit pension transfers

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

**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.